



Town of Amherst

Financial Trend Monitoring Report

October 2014

Financial Indicator Analysis

FY2005 - FY2014

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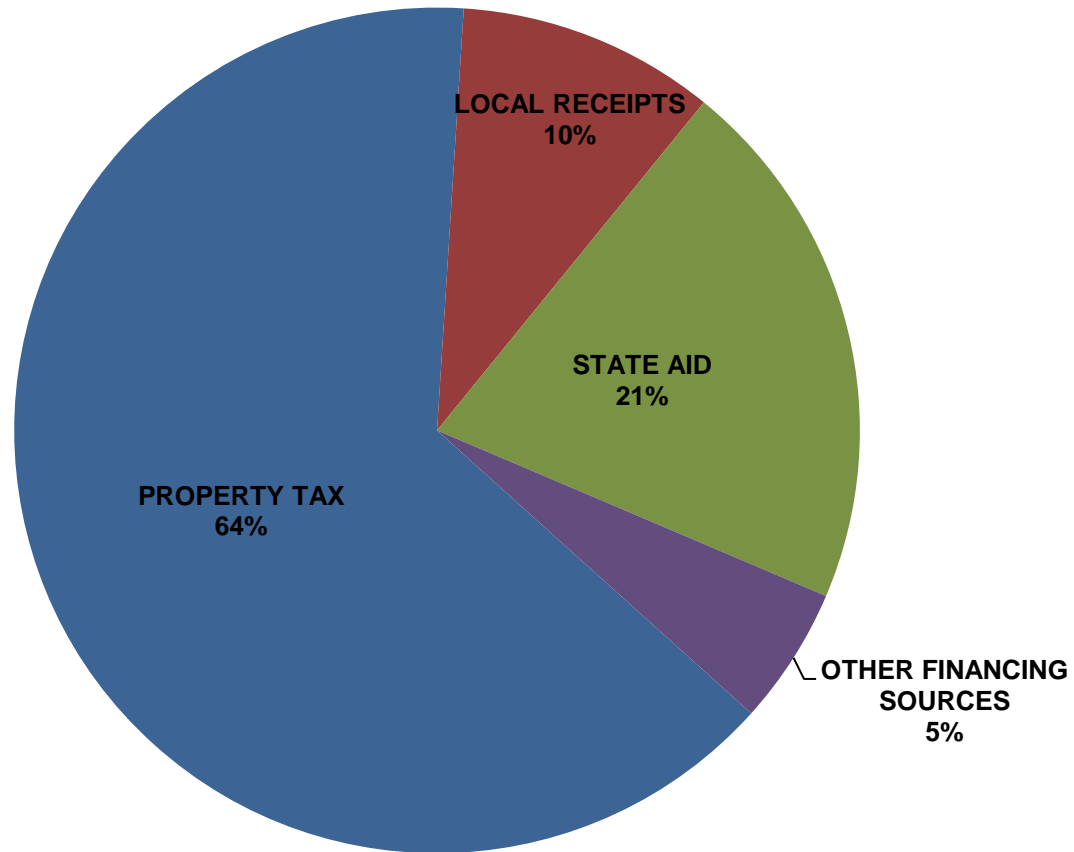
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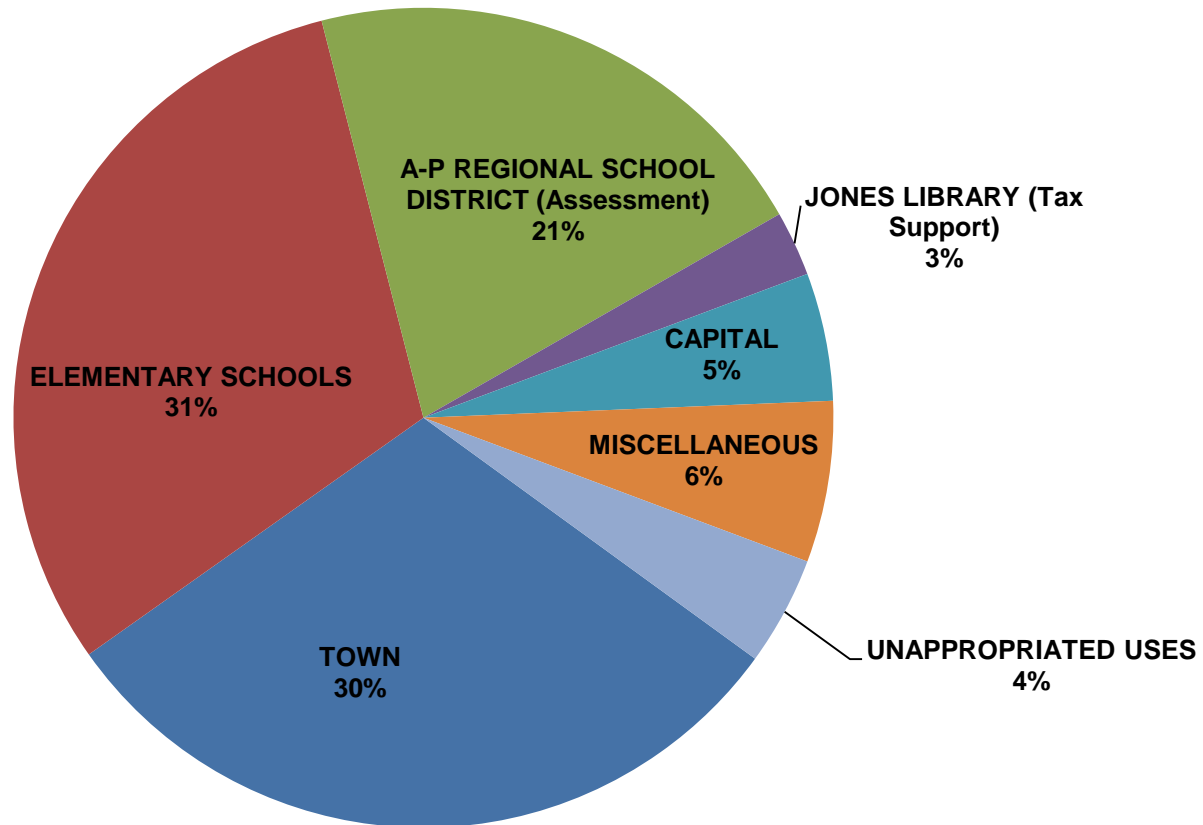
Note

This report was initially prepared in 2007 at the request of the Amherst Finance Director by three graduate students at the Center for Public Policy & Administration at the University of Massachusetts Amherst. Town staff have refined and expanded the template since then. The International City Management Association's (ICMA) Financial Trend Monitoring System served as the template for this analysis.

General Fund Revenues FY15

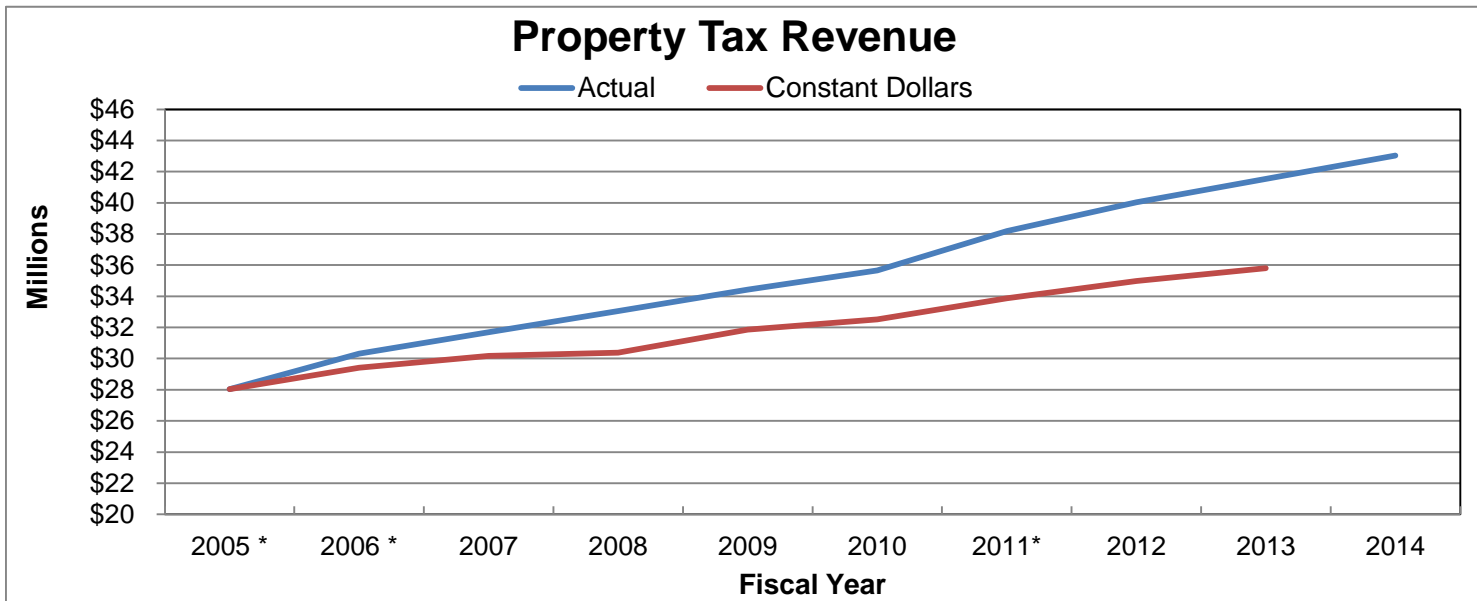


General Fund Expenditures FY15



3 - Property Tax Revenue

A decline in property tax revenues (measured in constant dollars) is considered a warning indicator.



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

The Property Tax is the Town's primary revenue source for both operating and capital spending. Annual increases are limited by Proposition 2 1/2. The substantial increase in property tax revenue in FY 05 and FY 06 is due to the override in 2004 and the increase in FY11 to the override in 2010. The analysis shows that the only significant increases in constant dollars from year to year occurred when the community passed an override.

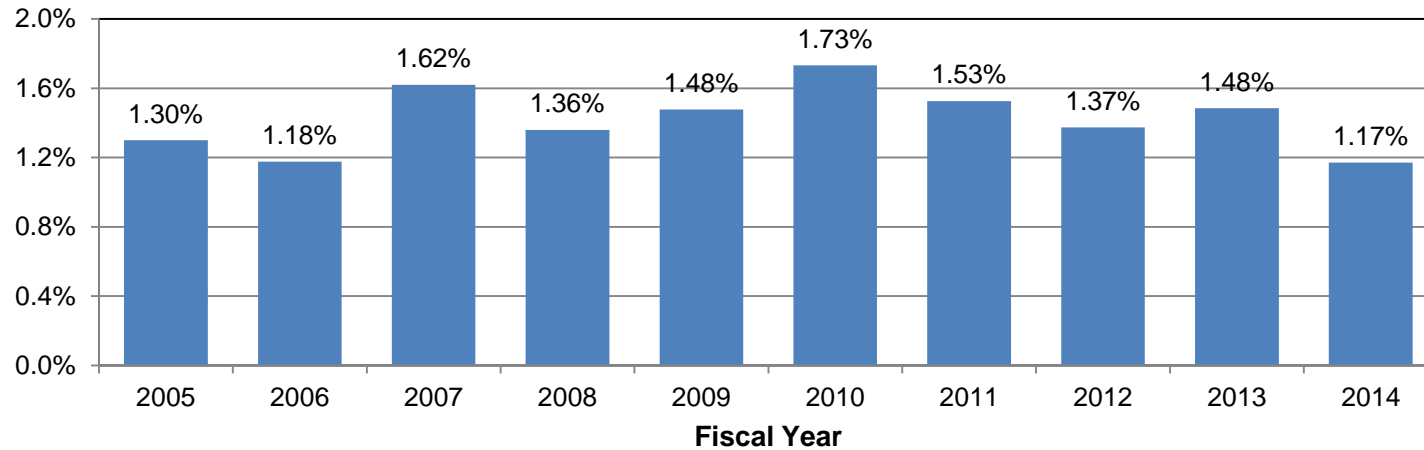
Formula	Property Tax Revenues (Constant Dollars)									
Fiscal Year	2005 *	2006 *	2007	2008	2009	2010	2011*	2012	2013	2014
Residential Property Tax Levy	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255	\$ 38,828,700
Commercial Property Tax Levy	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827	\$ 3,152,389
Industrial Property Tax Levy	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917	\$ 95,560
Personal Property Tax Levy	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726	\$ 1,177,409
Property Tax Total	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,725	\$ 43,254,058
Less - Excluded Debt	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374	\$ 213,522
Net Property Tax Revenue	\$ 28,047,050	\$ 30,315,343	\$ 31,697,834	\$ 33,054,733	\$ 34,430,106	\$ 35,658,170	\$ 38,179,844	\$ 40,038,344	\$ 41,540,351	\$ 43,040,536
CPI - U, Base Period = 1982-1984	216.4	223.1	227.4	235.4	233.8	237.3	243.9	247.7	251.1	
CPI - U, Adjustment for constant dollars (2005 dollars)	100%	97%	95%	92%	93%	91%	89%	87%	86%	
Property Tax Revenue (constant dollars)	\$ 28,047,050	\$ 29,404,932	\$ 30,164,517	\$ 30,386,764	\$ 31,867,729	\$ 32,517,606	\$ 33,875,024	\$ 34,978,997	\$ 35,799,809	
Percent Change - Property Tax Revenue (constant dollars)	0.0%	4.8%	2.6%	0.7%	4.9%	2.0%	4.2%	3.3%	2.3%	

* A \$2,000,000 override was approved by voters in March 2004 that was added to the tax levy over a 2-year period in FY05 and FY06. The \$1,680,000 override approved in March 2010 increases property tax bills beginning in FY11 (July 2010 - June 2011).

4 - Uncollected Property Taxes

Uncollected property taxes (as a percent of the property tax levy) of 5-8 percent is considered a warning indicator by the Bond rating organizations.

Uncollected Taxes as a Percentage of Net Property Tax Levy



Amherst Trend

Favorable	X
Marginal	
Unfavorable	
Uncertain	

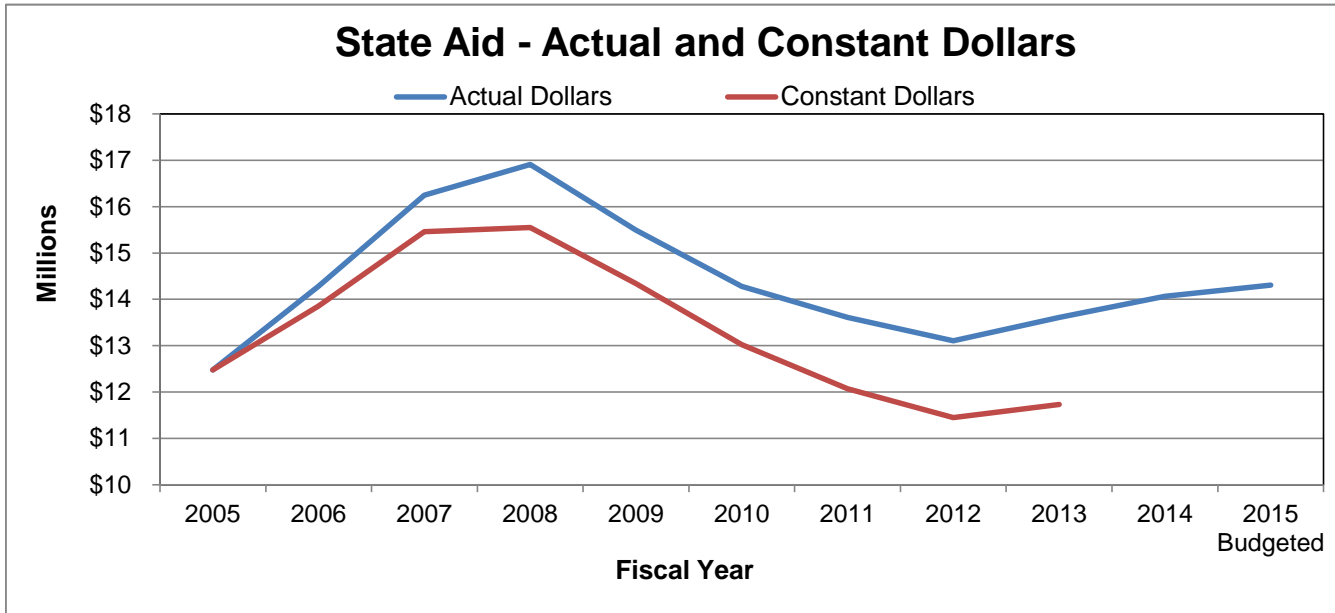
An increase in uncollected property taxes may indicate an inability by property owners to pay their taxes due to economic conditions. Additionally, as uncollected property taxes rise, liquidity decreases, resulting in less cash on hand for the Town to invest. Bond rating organizations generally consider uncollected taxes in excess of 5% as a warning trend. Amherst has maintained a strong position on this indicator, regardless of economic conditions.

Formula	Uncollected Taxes as a Percentage of Net Property Tax Levy									
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Residential Property Tax Levy	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255	\$ 38,828,700
Commercial Property Tax Levy	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827	\$ 3,152,389
Industrial Property Tax Levy	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917	\$ 95,560
Personal Property Tax Levy	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726	\$ 1,177,409
Property Tax Subtotal	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,725	\$ 43,254,058
Reserved for Abatements & Exemptions	\$ 302,116	\$ 297,202	\$ 312,089	\$ 342,873	\$ 342,028	\$ 332,415	\$ 368,633	\$ 376,985	\$ 413,331	\$ 426,042
Net Property Tax Levy	\$ 28,300,487	\$ 30,238,782	\$ 31,767,962	\$ 33,052,285	\$ 34,529,399	\$ 35,726,592	\$ 38,163,677	\$ 39,967,047	\$ 41,386,394	\$ 42,828,016
Uncollected Taxes as of June 30	\$ 367,899	\$ 355,732	\$ 514,895	\$ 449,606	\$ 509,962	\$ 618,875	\$ 582,418	\$ 549,086	\$ 614,322	\$ 501,145
Uncollected Taxes as a Percentage of Net Property Tax Levy	1.30%	1.18%	1.62%	1.36%	1.48%	1.73%	1.53%	1.37%	1.48%	1.17%

Source: Collector

5 - State Aid - Actual and Constant Dollars

Reductions in State Aid are considered a warning indicator, particularly if the Town does not have adequate reserves or other revenues to offset cuts.



Amherst Trend	
Favorable	
Marginal	
Unfavorable	X
Uncertain	X

Reliance on state aid for funding has both an upside and a downside. While increases in state aid may permit additional services, increased state aid as a percentage of operating revenue may be difficult to manage when there is a reduction in this funding.

State Aid to the Town is lower in FY15 than in FY08 in both actual and inflation adjusted dollars, with cuts of over \$2.6 million in the last five years.

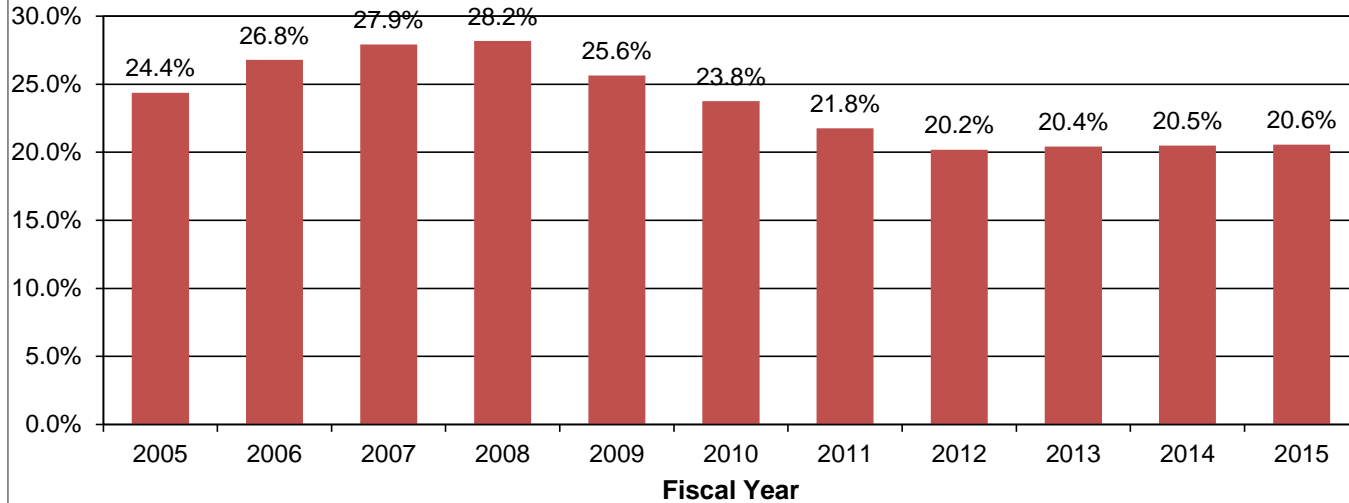
Formula	State Aid / Operating Revenues										
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015 Budgeted
State Aid	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331	\$ 14,066,500	\$ 14,308,850
CPI - U, Base Period = 1982-1984	216.4	223.1	227.4	235.4	233.8	237.3	243.9	247.7	251.1		
CPI - U, Adjustment for constant dollars (2004 dollars)	100%	97%	95%	92%	93%	91%	89%	87%	86%		
Adjusted State Aid (constant dollars)	\$ 12,473,453	\$ 13,859,328	\$ 15,459,829	\$ 15,548,046	\$ 14,339,508	\$ 13,021,363	\$ 12,072,173	\$ 11,448,286	\$ 11,727,769	\$ -	\$ -

Source: Massachusetts Department of Revenue "Cherry Sheets".

6 - State Aid as a Percentage of Operating Revenues

Reductions in State Aid as a percentage of operating revenues is considered a warning indicator, particularly if the Town does not have adequate reserves.

State Aid as a Percentage of Operating Revenues



Amherst Trend

Favorable	
Marginal	
Unfavorable	X
Uncertain	

State Aid as a percentage of operating revenue dropped significantly every fiscal year from FY09 through FY12 and has remained flat ever since.

State Aid dollars increased slightly in FY13, FY14, and FY15, but future growth remains uncertain. State aid as a share of Town revenues is smaller than at any time since the enactment of Proposition 2 1/2 in 1980.

Formula	State Aid / Operating Revenues										
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Gross Operating Revenue	\$ 51,730,529	\$ 53,574,369	\$ 58,555,235	\$ 60,370,325	\$ 60,893,556	\$ 60,505,355	\$ 62,865,469	\$ 65,253,280	\$ 66,919,847	\$ 68,833,087	\$ 69,774,176
Less - Excluded Debt	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374	\$ 213,522	\$ 171,480
Net Operating Revenue	\$ 51,174,976	\$ 53,353,728	\$ 58,173,018	\$ 60,029,900	\$ 60,452,235	\$ 60,104,518	\$ 62,513,003	\$ 64,947,592	\$ 66,660,473	\$ 68,619,565	\$ 69,602,696
State Aid	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331	\$ 14,066,500	\$ 14,308,850
State Aid as a % of Operating Revenue	24.4%	26.8%	27.9%	28.2%	25.6%	23.8%	21.8%	20.2%	20.4%	20.5%	20.6%

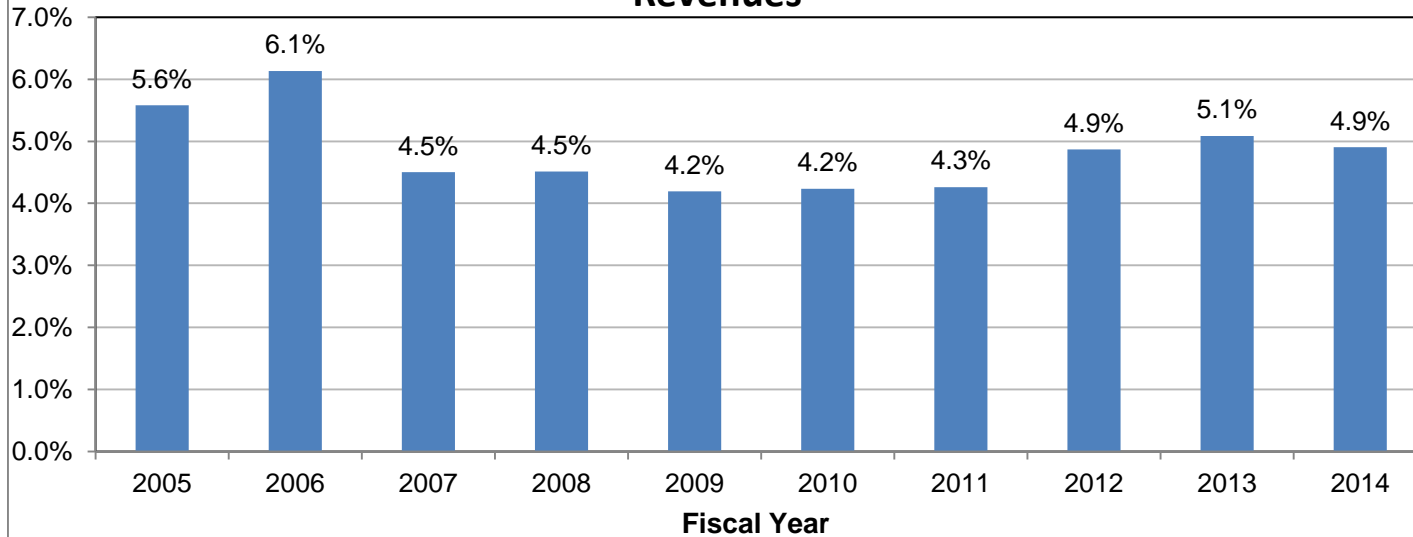
* 2014 as appropriated at Town Meeting

Source: Massachusetts Department of Revenue "Cherry Sheets".

7 - Revenues Related to Economic Growth

Decreasing revenues related to economic growth as a percentage of net operating revenues may be considered a warning indicator

Economic Growth Revenues as a Percentage of Operating Revenues



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

A balance between economic growth and other (non-growth) revenues mitigates the effect of macroeconomic changes--during a recession a higher percentage of revenue from non-growth sources is preferred.

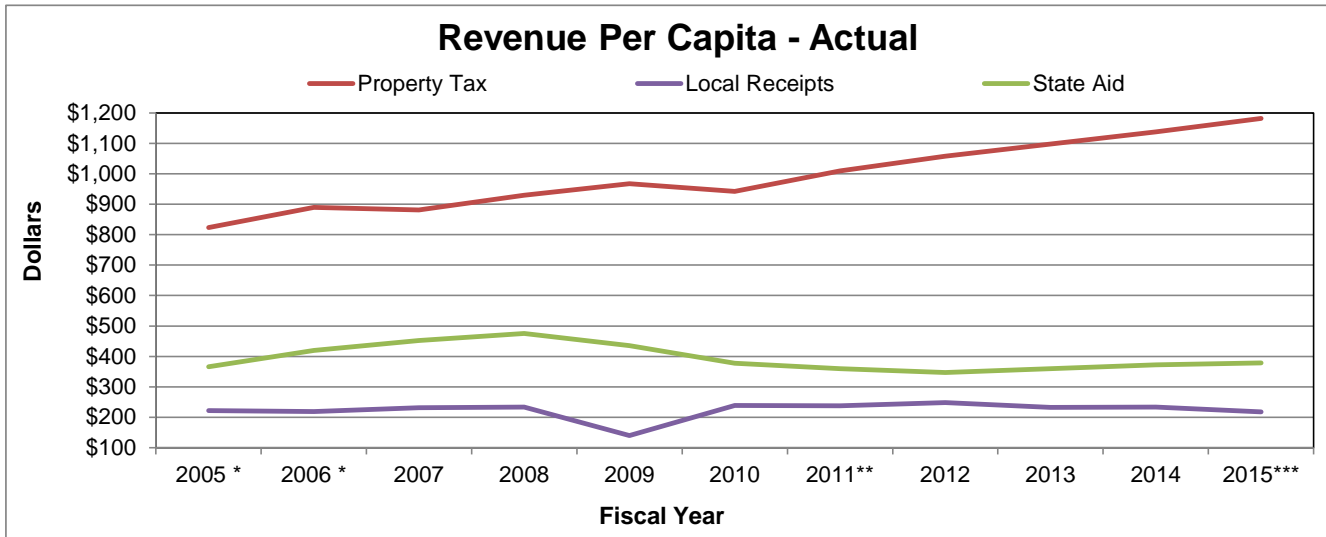
The Great Recession and slow pace of recovery had a significant negative effect on building permit fees (a precursor of future new growth), property tax from new growth, and motor vehicle excise taxes. FY12 and FY13 showed slight improvements. Newly approved projects should increase New Growth in the future.

Formula	Economic Growth Revenues / Operating Revenues									
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Net Operating Revenues	\$ 51,174,976	\$ 53,353,728	\$ 58,173,018	\$ 60,029,900	\$ 60,452,235	\$ 60,104,518	\$ 62,513,003	\$ 64,947,592	\$ 66,660,473	\$ 68,619,565
Building Related Fees & Permits*	\$ 565,870	\$ 686,811	\$ 446,504	\$ 517,270	\$ 485,934	\$ 478,686	\$ 378,067	\$ 489,882	\$ 654,641	\$ 574,259
Motor Vehicle Excise	\$ 1,474,547	\$ 1,516,654	\$ 1,438,646	\$ 1,537,625	\$ 1,435,003	\$ 1,355,180	\$ 1,423,261	\$ 1,559,389	\$ 1,488,012	\$ 1,540,811
Tax Levy from New Construction	\$ 732,617	\$ 962,674	\$ 636,907	\$ 560,794	\$ 545,778	\$ 366,636	\$ 367,924	\$ 473,730	\$ 504,145	\$ 455,075
Meals Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 224,351	\$ 311,533	\$ 399,287	\$ 417,803	\$ 447,986
Hotel/Motel Tax	\$ 82,686	\$ 105,453	\$ 96,608	\$ 93,705	\$ 68,161	\$ 118,691	\$ 183,456	\$ 239,686	\$ 327,205	\$ 348,191
Total Economic Growth Revenues	\$ 2,855,720	\$ 3,271,592	\$ 2,618,665	\$ 2,709,394	\$ 2,534,877	\$ 2,543,544	\$ 2,664,241	\$ 3,161,974	\$ 3,391,806	\$ 3,366,321
Economic Growth Revenues as a % of Operating Revenues	5.6%	6.1%	4.5%	4.5%	4.2%	4.2%	4.3%	4.9%	5.1%	4.9%

*Building Related Fees & Permits includes the following permits: Street Opening, Building, Plumbing, Gas & Electrical

Sources: Amherst Finance Department, Massachusetts Department of Revenue

8 - Revenue Per Capita - Actual



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Revenues from the property tax have increased by the allowable limits of Proposition 2 1/2 and were further increased in 2005 and 2011 via voter-approved referenda. Local receipts have also increased due to increased reliance on user fees to fund certain Town services such as LSSE. State aid has fluctuated and is still below its peak of FY08 levels.

Formula	Revenues										
Fiscal Year	2005 *	2006 *	2007	2008	2009	2010	2011**	2012	2013	2014	2015***
Residential Property Tax Levy	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255	\$ 38,828,700	\$ -
Commercial Property Tax Levy	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827	\$ 3,152,389	\$ -
Industrial Property Tax Levy	\$ 74,666	\$ 73,806	\$ 75,446	\$ 77,082	\$ 72,198	\$ 77,355	\$ 78,569	\$ 89,955	\$ 92,917	\$ 95,560	\$ -
Personal Property Tax Levy	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726	\$ 1,177,409	\$ -
Property Tax Total	\$ 28,602,603	\$ 30,535,984	\$ 32,080,051	\$ 33,395,158	\$ 34,871,427	\$ 36,059,007	\$ 38,532,310	\$ 40,344,032	\$ 41,799,726	\$ 43,254,058	\$ 44,892,428
Less - Excluded Debt	\$ 555,553	\$ 220,641	\$ 382,217	\$ 340,425	\$ 441,321	\$ 400,837	\$ 352,466	\$ 305,688	\$ 259,374	\$ 213,522	\$ 171,480
Net Property Tax Revenue	\$ 28,047,050	\$ 30,315,343	\$ 31,697,834	\$ 33,054,733	\$ 34,430,106	\$ 35,658,170	\$ 38,179,844	\$ 40,038,344	\$ 41,540,352	\$ 43,040,536	\$ 44,720,948
Local Receipts	\$ 7,543,416	\$ 7,437,351	\$ 8,321,029	\$ 8,310,776	\$ 4,964,793	\$ 9,009,347	\$ 8,984,496	\$ 9,394,527	\$ 8,772,826	\$ 8,827,963	\$ 8,216,154
State Aid	\$ 12,473,453	\$ 14,288,429	\$ 16,245,680	\$ 16,913,170	\$ 15,492,500	\$ 14,278,972	\$ 13,606,299	\$ 13,104,161	\$ 13,608,331	\$ 14,066,500	\$ 14,308,850
Population	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819	37,819	37,819
Property Tax per Capita	\$823.77	\$890.34	\$881.43	\$929.42	\$968.09	\$942.86	\$1,009.54	\$1,058.68	\$1,098.40	\$1,138.07	\$1,182.50
Local Receipts per Capita	\$221.56	\$218.43	\$231.38	\$233.68	\$139.60	\$238.22	\$237.57	\$248.41	\$231.97	\$233.43	\$217.25
State Aid per Capita	\$366.36	\$419.64	\$451.75	\$475.56	\$435.61	\$377.56	\$359.77	\$346.50	\$359.83	\$371.94	\$378.35

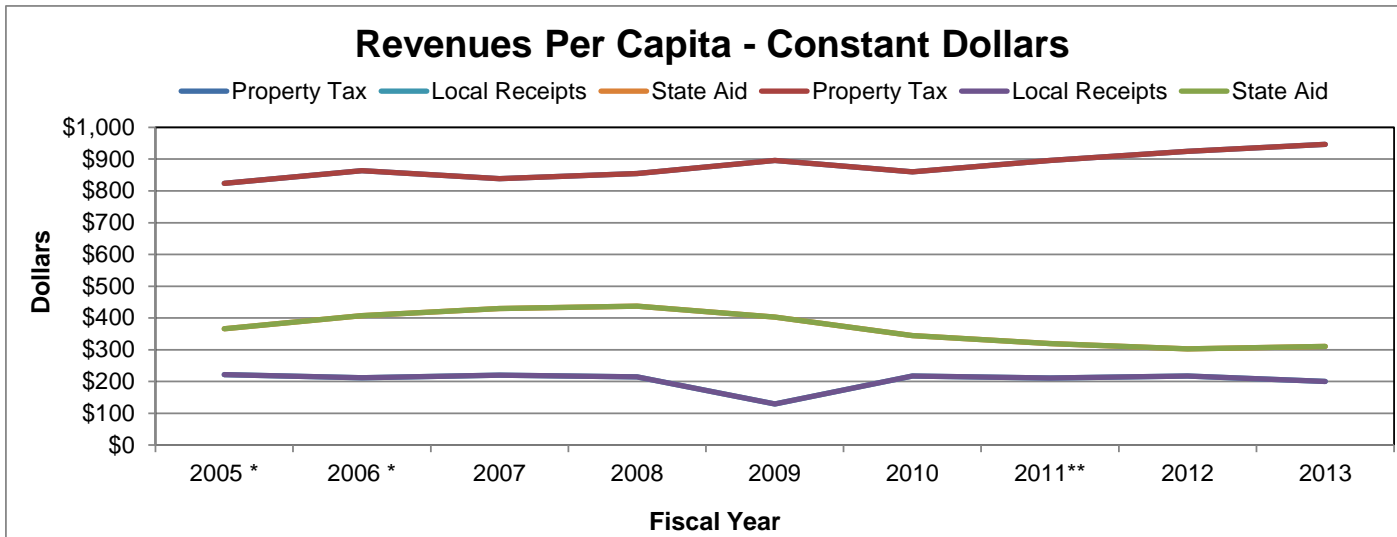
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** The \$1,680,000 override approved in March 2010 increased property tax bills beginning in FY11 (July 2010 - June 2011).

*** Estimates

Source: Massachusetts Department of Revenue

9 - Revenues Per Capita - Constant Dollars



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

Property tax revenues have increased at about the rate of inflation except in years (2005 and 2011) when voters passed overrides. State aid has not kept pace with inflation. Local receipts have remained level in constant dollars.

Formula	Revenues									
Fiscal Year	2005 *	2006 *	2007	2008	2009	2010	2011**	2012	2013	2014
Residential Property Tax Levy	\$ 25,641,716	\$ 27,597,486	\$ 28,983,904	\$ 30,228,150	\$ 31,654,521	\$ 32,517,975	\$ 34,807,241	\$ 36,250,802	\$ 37,517,255	\$ 38,828,700
Commercial Property Tax Levy	\$ 2,270,532	\$ 2,225,570	\$ 2,311,801	\$ 2,287,655	\$ 2,335,621	\$ 2,615,297	\$ 2,724,022	\$ 2,887,813	\$ 3,030,827	\$ 3,152,389
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Personal Property Tax Levy	\$ 615,689	\$ 639,122	\$ 708,900	\$ 802,271	\$ 809,087	\$ 848,380	\$ 922,478	\$ 1,115,462	\$ 1,158,726	\$ 1,177,409
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Adjusted Property Taxes	\$ 28,047,050	\$ 29,404,932	\$ 30,164,517	\$ 30,386,764	\$ 31,867,729	\$ 32,517,606	\$ 33,875,024	\$ 34,978,997	\$ 35,799,809	\$ -
Adjusted Local Receipts	\$ 7,543,416	\$ 7,213,997	\$ 7,918,517	\$ 7,639,983	\$ 4,595,300	\$ 8,215,856	\$ 7,971,484	\$ 8,207,411	\$ 7,560,492	\$ -
Adjusted State Aid	\$ 12,473,453	\$ 13,859,328	\$ 15,459,829	\$ 15,548,046	\$ 14,339,508	\$ 13,021,363	\$ 12,072,173	\$ 11,448,286	\$ 11,727,769	\$ -
Population	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819	37,819
Property Tax per Capita	\$823.77	\$863.61	\$838.79	\$854.40	\$896.04	\$859.82	\$895.71	\$924.91	\$946.61	
Local Receipts per Capita	\$221.56	\$211.87	\$220.19	\$214.82	\$129.21	\$217.24	\$210.78	\$217.02	\$199.91	
State Aid per Capita	\$366.36	\$407.04	\$429.89	\$437.17	\$403.19	\$344.31	\$319.21	\$302.71	\$310.10	

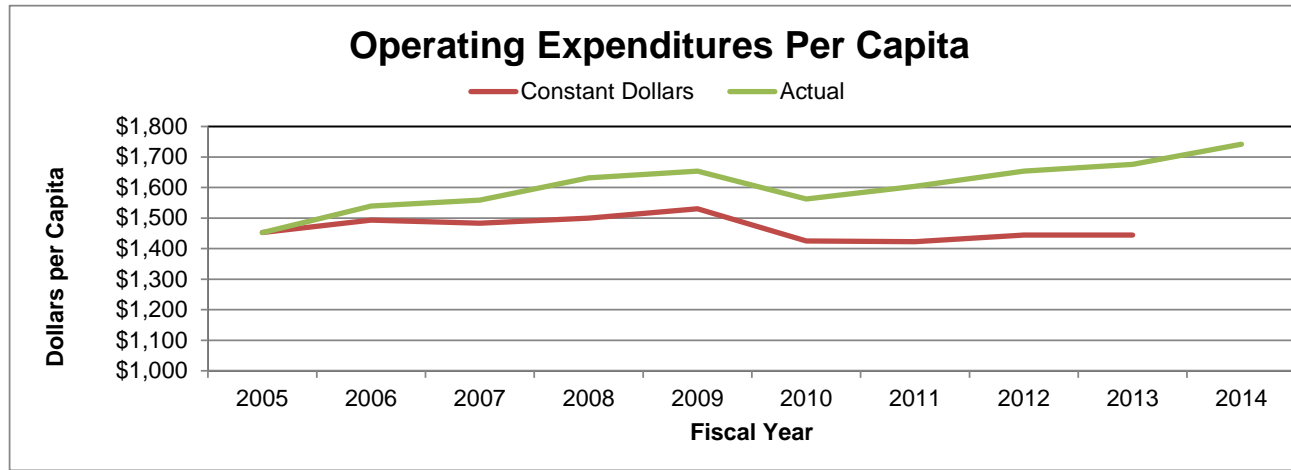
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** The \$1,680,000 override approved in March 2010 increased property tax bills beginning in FY11 (July 2010 - June 2011).

Source: Massachusetts Department of Revenue

10 - Operating Expenditures Per Capita

Increasing net operating expenditures per capita (in constant dollars) may be considered a warning indicator.



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Increasing operating expenditures per capita can indicate that the cost of providing services is outpacing the Town's ability to pay.

Since 2005, Amherst's expenditures per capita have **decreased by -0.6%** when adjusted for inflation (constant dollars).

Formula	Net Operating Expenditures & Transfers (Constant Dollars) / Population									
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Government *	\$ 3,008,441	\$ 3,199,950	\$ 3,353,542	\$ 3,284,271	\$ 3,505,638	\$ 3,253,561	\$ 3,363,964	\$ 3,516,965	\$ 3,474,653	\$ 3,601,606
Police, Fire & Other Public Safety**	\$ 7,688,560	\$ 7,945,350	\$ 8,466,139	\$ 8,417,276	\$ 8,852,050	\$ 8,515,854	\$ 8,731,259	\$ 8,910,980	\$ 9,274,258	\$ 9,581,596
Education	\$ 27,465,769	\$ 29,361,273	\$ 31,351,681	\$ 32,439,294	\$ 32,561,005	\$ 33,372,717	\$ 33,851,275	\$ 34,660,935	\$ 35,490,746	\$ 36,405,560
Public Works	\$ 1,956,761	\$ 1,532,632	\$ 1,464,605	\$ 1,605,854	\$ 1,497,107	\$ 1,393,402	\$ 1,700,297	\$ 1,540,889	\$ 1,476,136	\$ 1,767,158
Community Services ***	\$ 1,737,039	\$ 1,891,000	\$ 2,110,417	\$ 1,997,973	\$ 1,992,375	\$ 1,830,474	\$ 1,814,054	\$ 2,005,351	\$ 2,182,856	\$ 2,223,299
Library	\$ 1,415,166	\$ 1,461,526	\$ 1,568,346	\$ 1,563,260	\$ 1,596,471	\$ 1,467,093	\$ 1,509,622	\$ 1,665,666	\$ 1,690,788	\$ 1,741,512
Debt Service & Fixed Costs****	\$ 5,205,911	\$ 6,222,465	\$ 6,784,173	\$ 6,692,075	\$ 6,362,777	\$ 6,653,139	\$ 6,921,459	\$ 7,680,076	\$ 7,661,412	\$ 8,559,146
Intergovernmental	\$ 955,075	\$ 810,186	\$ 949,303	\$ 2,036,114	\$ 2,442,487	\$ 2,607,361	\$ 2,754,264	\$ 2,564,567	\$ 2,120,304	\$ 1,997,431
Other	\$ 16,619	\$ 1,119	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Operating Expenditures	\$ 49,449,341	\$ 52,425,501	\$ 56,048,206	\$ 58,036,117	\$ 58,809,910	\$ 59,093,601	\$ 60,646,194	\$ 62,545,429	\$ 63,371,153	\$ 65,877,308
CPI - U, Base Period = 1982-1984	216.4	223.1	227.4	235.4	233.8	237.3	243.9	247.7	251.1	
CPI - U, Adjustment for constant dollars (2004 dollars)	100%	97%	95%	92%	93%	91%	89%	87%	86%	
Adjusted Net Operating Expenditures	\$ 49,449,341	\$ 50,851,091	\$ 53,336,991	\$ 53,351,808	\$ 54,433,125	\$ 53,888,981	\$ 53,808,267	\$ 54,642,030	\$ 54,613,769	\$ -
Population	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819	37,819
Operating Expenditures per Capita	\$1,452.38	\$1,539.71	\$1,558.54	\$1,631.83	\$1,653.59	\$1,562.54	\$1,603.59	\$1,653.81	\$1,675.64	\$1,741.91
Operating Expenditures per Capita (constant dollars)	\$1,452.38	\$1,493.47	\$1,483.15	\$1,500.12	\$1,530.53	\$1,424.92	\$1,422.78	\$1,444.83	\$1,444.08	
Percent Change - Expenditures per Capita	0.0%	2.8%	-0.7%	1.1%	2.0%	-6.9%	-0.1%	1.5%	-0.1%	

Source: Massachusetts Department of Revenue

* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

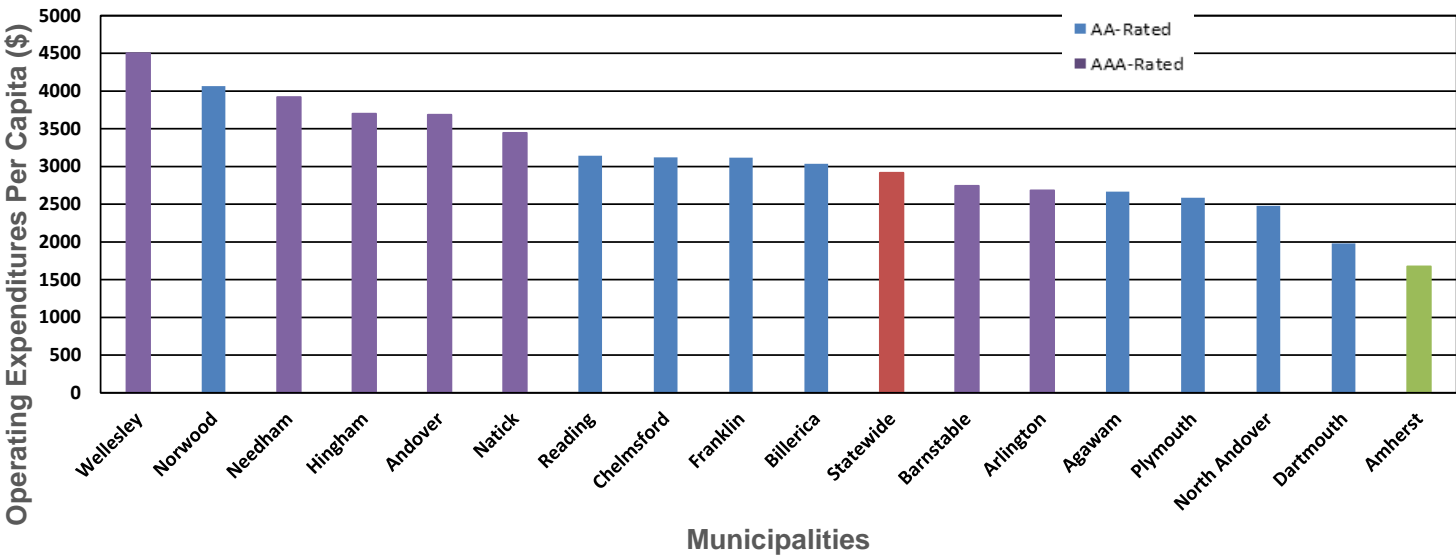
** Police, Fire & Other Public Safety includes Inspection Services

*** Community Services includes Health, Senior Center, Community Development (Social Services), Veterans' Services, LSSE, Pools, Golf Course

**** Debt Service & Fixed Costs includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

10.1 - Operating Expenditures Per Capita FY13

Operating Expenditures Per Capita FY13

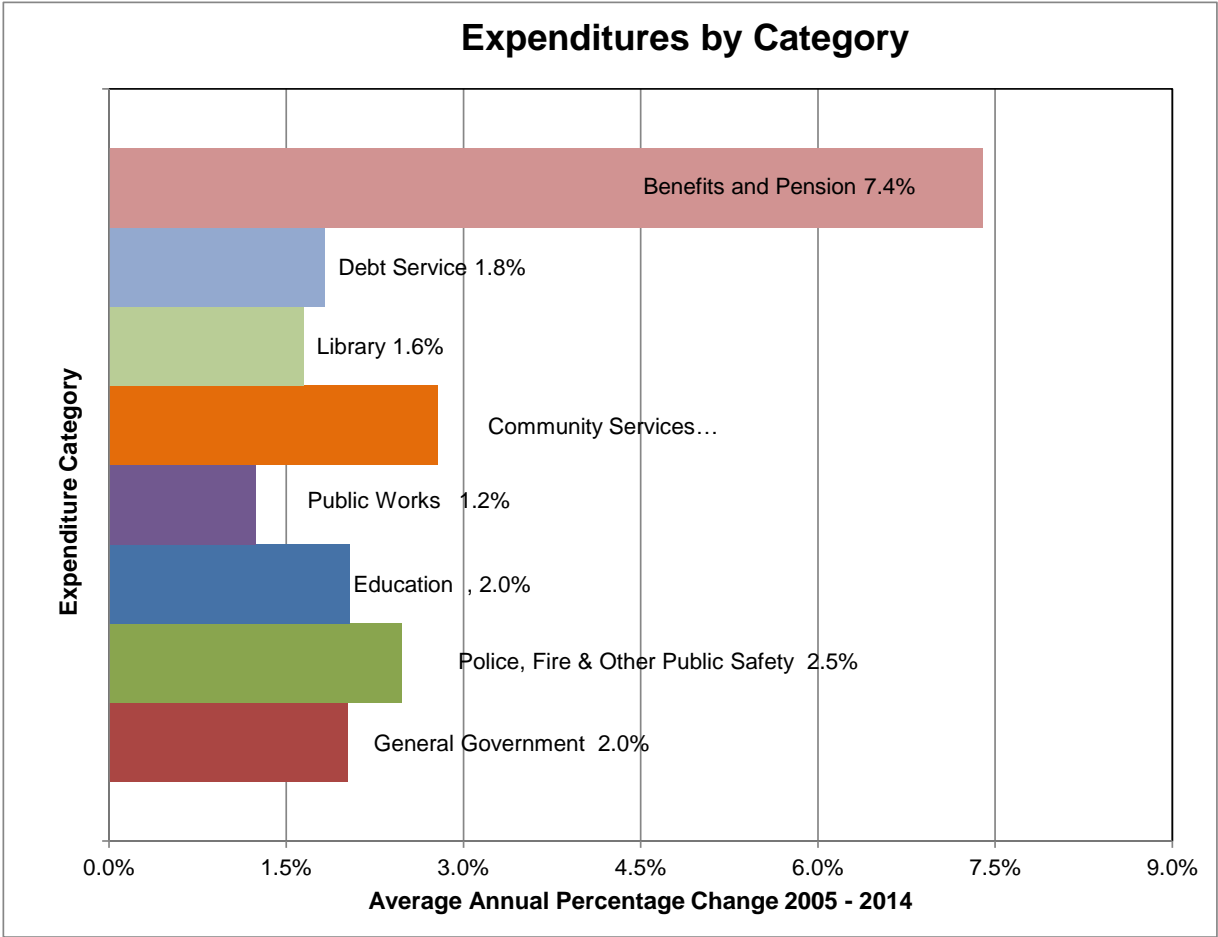


Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

The per capital expenditure in Amherst is below our peer communities and below the statewide average.

Municipality		Sum of Operating Expenditures Per Capita	Municipality		Sum of Operating Expenditures Per Capita
Wellesley	\$	4,502.27	Billerica	\$	3,035.74
Norwood	\$	4,067.21	Statewide	\$	2,917.19
Needham	\$	3,920.71	Barnstable	\$	2,744.34
Hingham	\$	3,700.62	Arlington	\$	2,683.66
Andover	\$	3,686.92	Agawam	\$	2,665.78
Natick	\$	3,446.22	Plymouth	\$	2,585.96
Reading	\$	3,141.17	North Andover	\$	2,477.61
Chelmsford	\$	3,122.04	Dartmouth	\$	1,979.48
Franklin	\$	3,115.51	Amherst	\$	1,675.64

11 - Expenditure Growth By Category - Actual



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

All categories have increased since FY05. The category with the largest increase is Benefits and Pensions.

Purpose: To measure relative growth of expenditures by category.

Formula	Net Operating Expenditures & Transfers										
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Avg. Annual
General Government *	\$3,008,441	\$3,199,950	\$3,353,542	\$3,284,271	\$3,505,638	\$3,253,561	\$3,363,964	\$3,516,965	\$3,474,653	\$3,601,606	
Public Safety**	\$7,688,560	\$7,945,350	\$8,466,139	\$8,417,276	\$8,852,050	\$8,515,854	\$8,731,259	\$8,910,980	\$9,274,258	\$9,581,596	
Education	\$22,971,932	\$23,496,238	\$24,353,199	\$24,752,053	\$24,454,008	\$25,018,030	\$25,092,325	\$26,708,025	\$26,937,862	\$27,537,574	
Public Works	\$1,581,372	\$1,532,632	\$1,464,605	\$1,605,854	\$1,497,107	\$1,393,402	\$1,700,297	\$1,540,889	\$1,476,136	\$1,767,158	
Community Services ***	\$1,737,039	\$1,891,000	\$2,110,417	\$1,997,973	\$1,992,375	\$1,830,474	\$1,814,054	\$2,005,351	\$2,182,856	\$2,223,299	
Library	\$1,284,644	\$1,322,147	\$1,361,951	\$1,322,081	\$1,353,330	\$1,233,368	\$1,274,687	\$1,465,067	\$1,444,168	\$1,487,888	
Debt Service	\$1,381,748	\$1,502,549	\$1,365,028	\$958,973	\$779,011	\$813,209	\$833,350	\$1,410,572	\$1,428,393	\$1,626,159	
Benefits and Pension****	\$8,448,522	\$10,724,330	\$12,624,022	\$13,661,522	\$13,933,904	\$14,428,342	\$15,081,994	\$14,423,013	\$15,032,523	\$16,054,597	
Other	\$16,619	\$1,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$ 48,118,877	\$ 51,615,315	\$ 55,098,903	\$ 56,000,003	\$ 56,367,423	\$ 56,486,240	\$ 57,891,930	\$ 59,980,862	\$ 61,250,849	\$ 63,879,877	
General Government *		6%	5%	-2%	7%	-7%	3%	5%	-1%	4%	2.0%
Public Safety **		3%	7%	-1%	5%	-4%	3%	2%	4%	3%	2.5%
Education		2%	4%	2%	-1%	2%	0%	6%	1%	2%	2.0%
Public Works		-3%	-4%	10%	-7%	-7%	22%	-9%	-4%	20%	1.2%
Community Services ***		9%	12%	-5%	0%	-8%	-1%	11%	9%	2%	2.8%
Library		3%	3%	-3%	2%	-9%	3%	15%	-1%	3%	1.6%
Debt Service		9%	-9%	-30%	-19%	4%	2%	69%	1%	14%	1.8%
Benefits and Pension****		27%	18%	8%	2%	4%	5%	-4%	4%	7%	7.4%
Other		-93%	-100%	0%	0%	0%	0%	0%	0%	0%	-100%

Source: Massachusetts Department of Revenue

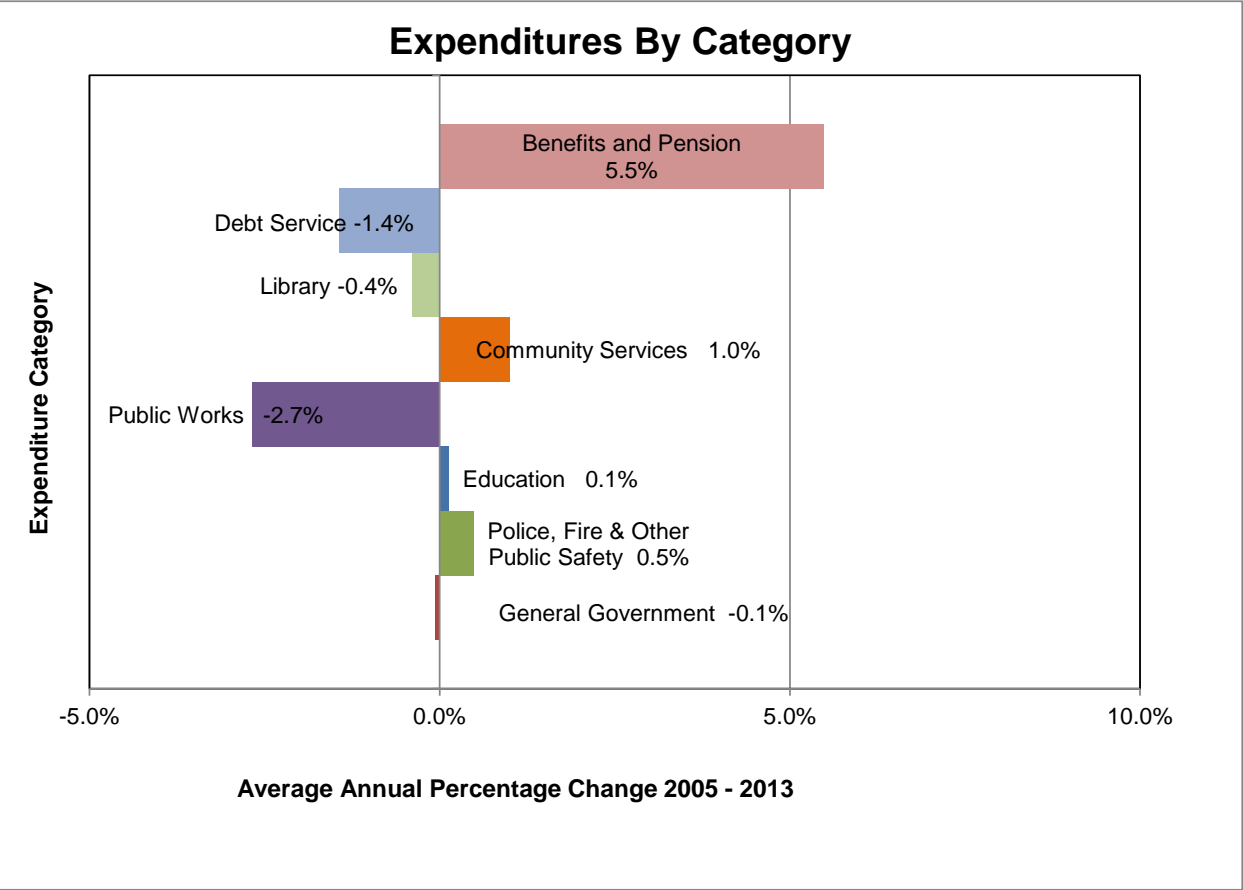
* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

** Police, Fire & Other Public Safety includes Inspection Services

*** Community Services includes Health, Senior Center, Community Development (Social Services), Veterans' Services, LSSE, Pools, Golf Course

**** Benefits and Pension includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

12 - Expenditures Growth By Category - Constant Dollars



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

Employee Benefits an Pensions have increased the most since FY05. Debt Service, General Government, Public Works, and Human Services spending are below 2005 levels on an inflation adjusted basis.

Purpose: To measure relative growth of expenditures by category.

Formula	Net Operating Expenditures & Transfers (Constant Dollars) / Population										
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Avg. Annual Δ
General Government *	\$3,008,441	\$3,199,950	\$3,353,542	\$3,284,271	\$3,505,638	\$3,253,561	\$3,363,964	\$3,516,965	\$3,474,653	\$3,601,606	
Public Safety**	\$7,688,560	\$7,945,350	\$8,466,139	\$8,417,276	\$8,852,050	\$8,515,854	\$8,731,259	\$8,910,980	\$9,274,258	\$9,581,596	
Education	\$22,971,932	\$23,496,238	\$24,353,199	\$24,752,053	\$24,454,008	\$25,018,030	\$25,092,325	\$26,708,025	\$26,937,862	\$27,537,574	
Public Works	\$1,581,372	\$1,532,632	\$1,464,605	\$1,605,854	\$1,497,107	\$1,393,402	\$1,700,297	\$1,540,889	\$1,476,136	\$1,767,158	
Community Services ***	\$1,737,039	\$1,891,000	\$2,110,417	\$1,997,973	\$1,992,375	\$1,830,474	\$1,814,054	\$2,005,351	\$2,182,856	\$2,223,299	
Library	\$1,284,644	\$1,322,147	\$1,361,951	\$1,322,081	\$1,353,330	\$1,233,368	\$1,274,687	\$1,465,067	\$1,444,168	\$1,487,888	
Debt Service	\$1,381,748	\$1,502,549	\$1,365,028	\$958,973	\$779,011	\$813,209	\$833,350	\$1,410,572	\$1,428,393	\$1,626,159	
Benefits and Pension****	\$8,448,522	\$10,724,330	\$12,624,022	\$13,661,522	\$13,933,904	\$14,428,342	\$15,081,994	\$14,423,013	\$15,032,523	\$16,054,597	
Other	\$16,619	\$1,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$ 48,118,877	\$ 51,615,315	\$ 55,098,903	\$ 56,000,003	\$ 56,367,423	\$ 56,486,240	\$ 57,891,930	\$ 59,980,862	\$ 61,250,849	\$ 63,879,877	
CPI - uU, Base Period = 1982-1984	216.4	223.1	227.4	235.4	233.8	237.3	243.9	247.7	251.1		
CPI - U, Adjustment for constant dollars (2002 dollars)	100%	97%	95%	92%	93%	91%	89%	87%	86%		
Adjusted General Government *	\$3,008,441	\$3,103,851	\$3,191,321	\$3,019,185	\$3,244,739	\$2,967,006	\$2,984,673	\$3,072,552	\$2,994,484		
Adjusted Police, Fire & Other Public Safety*	\$7,688,560	\$7,706,740	\$8,056,607	\$7,737,887	\$8,193,258	\$7,765,827	\$7,746,800	\$7,784,966	\$7,992,630		
Adjusted Education	\$22,971,932	\$22,790,614	\$23,175,164	\$22,754,224	\$22,634,078	\$22,814,588	\$22,263,137	\$23,333,131	\$23,215,266		
Adjusted Public Works	\$1,581,372	\$1,486,605	\$1,393,758	\$1,476,240	\$1,385,688	\$1,270,679	\$1,508,587	\$1,346,178	\$1,272,146		
Adjusted Community Services ***	\$1,737,039	\$1,834,211	\$2,008,330	\$1,836,709	\$1,844,097	\$1,669,257	\$1,609,517	\$1,751,950	\$1,881,203		
Adjusted Library	\$1,284,644	\$1,282,441	\$1,296,069	\$1,215,371	\$1,252,612	\$1,124,740	\$1,130,965	\$1,279,937	\$1,244,596		
Adjusted Debt Service & Fixed Costs****	\$1,381,748	\$1,457,425	\$1,298,998	\$881,571	\$721,035	\$741,586	\$739,389	\$1,232,329	\$1,231,001		
Adjusted Intergovernmental *****	\$8,448,522	\$10,402,264	\$12,013,361	\$12,558,850	\$12,896,907	\$13,157,578	\$13,381,482	\$12,600,485	\$12,955,149.25		
Adjusted Other	\$16,619	\$1,085	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Net Operating Expenditures	\$ 48,118,877	\$ 50,065,236	\$ 52,433,609	\$ 51,480,037	\$ 52,172,414	\$ 51,511,261	\$ 51,364,550	\$ 52,401,528	\$ 52,786,474		
General Government *(constant dollars)	100%	3%	3%	-5%	7%	-9%	1%	3%	-3%		-0.1%
Public Safety *(constant dollars)	100%	0%	5%	-4%	6%	-5%	0%	0%	3%		0.5%
Education (constant dollars)	100%	-1%	2%	-2%	-1%	1%	-2%	5%	-1%		0.1%
Public Works (constant dollars)	100%	-6%	-6%	6%	-6%	-8%	19%	-11%	-5%		-2.7%
Community Services *** (constant dollars)	100%	6%	9%	-9%	0%	-9%	-4%	9%	7%		1.0%
Library (constant dollars)	100%	0%	1%	-6%	3%	-10%	1%	13%	-3%		-0.4%
Debt Service(constant dollars)	100%	5%	-11%	-32%	-18%	3%	0%	67%	0%		-1.4%
Benefits and Pension****(constant dollars)	100%	23%	15%	5%	3%	2%	2%	-6%	3%		5.5%
Other (constant dollars)	100%	-93%	-100%	0%	0%	0%	0%	0%	0%		-100.0%

Source: Massachusetts Department of Revenue

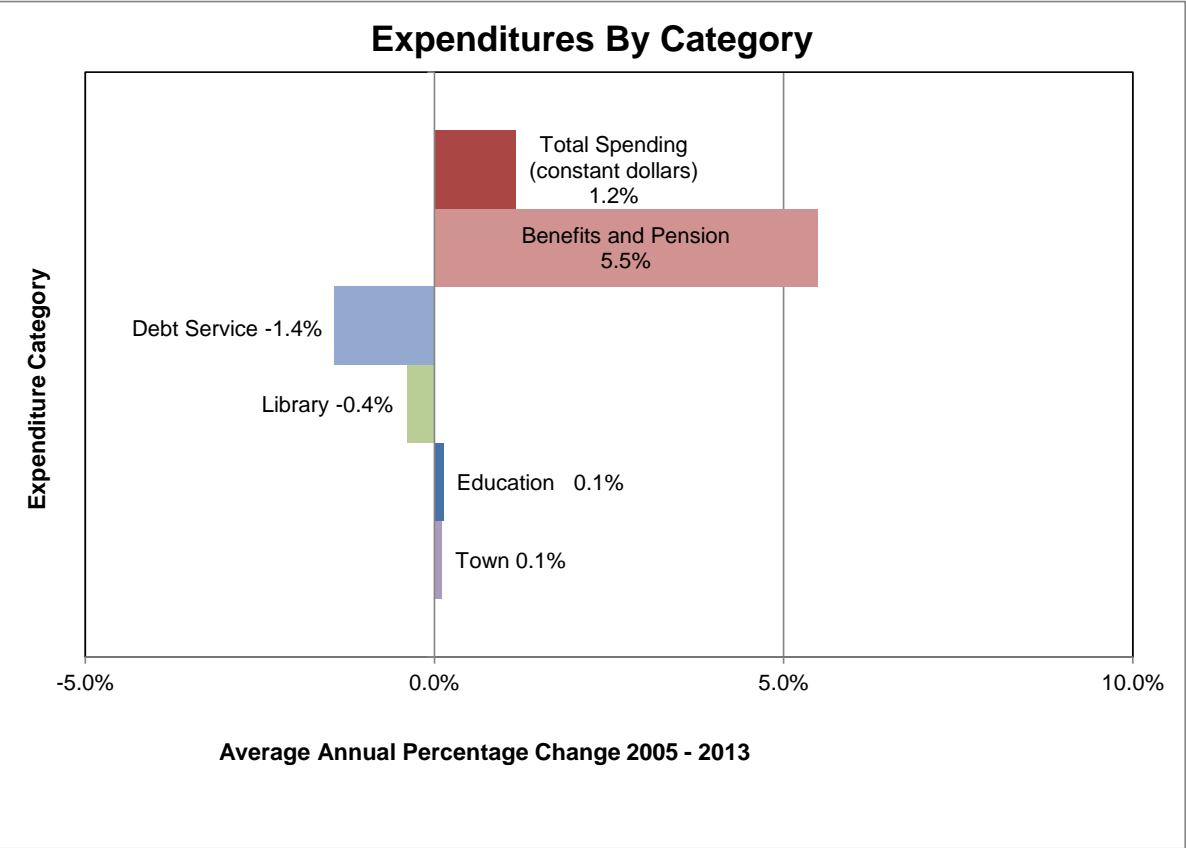
* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

** Police, Fire & Other Public Safety includes Inspection Services

*** Community Services includes Health, Senior Center, Community Development (Social Services), Veterans' Services, LSSE, Pools, Golf Course

**** Benefits and Pension includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

12.1 - Expenditures Growth By Category - Constant Dollars



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	

The overall growth in spending for the Town has been 1.2% on an inflation adjusted basis from FY05 to FY13. This chart shows that the growth in spending on Health Benefits and Pensions grew more rapidly than spending on School, Town, Library, or Debt Service functions.

Purpose: To measure relative growth of expenditures by category.

Formula	Net Operating Expenditures & Transfers (Constant Dollars) / Population										
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Ave Annual
General Government *	\$3,008,441	\$3,199,950	\$3,353,542	\$3,284,271	\$3,505,638	\$3,253,561	\$3,363,964	\$3,516,965	\$3,474,653	\$3,601,606	
Public Safety**	\$7,688,560	\$7,945,350	\$8,466,139	\$8,417,276	\$8,852,050	\$8,515,854	\$8,731,259	\$8,910,980	\$9,274,258	\$9,581,596	
Public Works	\$1,581,372	\$1,532,632	\$1,464,605	\$1,605,854	\$1,497,107	\$1,393,402	\$1,700,297	\$1,540,889	\$1,476,136	\$1,767,158	
Community Services ***	\$1,737,039	\$1,891,000	\$2,110,417	\$1,997,973	\$1,992,375	\$1,830,474	\$1,814,054	\$2,005,351	\$2,182,856	\$2,223,299	
Town	\$14,015,412	\$14,568,932	\$15,394,703	\$15,305,374	\$15,847,170	\$14,993,291	\$15,609,574	\$15,974,185	\$16,407,903	\$17,173,659	
Education	\$22,971,932	\$23,496,238	\$24,353,199	\$24,752,053	\$24,454,008	\$25,018,030	\$25,092,325	\$26,708,025	\$26,937,862	\$27,537,574	
Library	\$1,284,644	\$1,322,147	\$1,361,951	\$1,322,081	\$1,353,330	\$1,233,368	\$1,274,687	\$1,465,067	\$1,444,168	\$1,487,888	
Debt Service	\$1,381,748	\$1,502,549	\$1,365,028	\$958,973	\$779,011	\$813,209	\$833,350	\$1,410,572	\$1,428,393	\$1,626,159	
Benefits and Pension****	\$8,448,522	\$10,724,330	\$12,624,022	\$13,661,522	\$13,933,904	\$14,428,342	\$15,081,994	\$14,423,013	\$15,032,523	\$16,054,597	
Other	\$16,619	\$1,119	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Operating Expenditures	\$ 48,118,877	\$ 51,615,315	\$ 55,098,903	\$ 56,000,003	\$ 56,367,423	\$ 56,486,240	\$ 57,891,930	\$ 59,980,862	\$ 61,250,849	\$ 63,879,877	
CPI - uU, Base Period = 1982-1984	216.4	223.1	227.4	235.4	233.8	237.3	243.9	247.7	251.1		
CPI - U, Adjustment for constant dollars (2002 dollars)	100%	97%	95%	92%	93%	91%	89%	87%	86%		
Adjusted General Government *	\$3,008,441	\$3,103,851	\$3,191,321	\$3,019,185	\$3,244,739	\$2,967,006	\$2,984,673	\$3,072,552	\$2,994,484		
Adjusted Police, Fire & Other Public Safety**	\$7,688,560	\$7,706,740	\$8,056,607	\$7,737,887	\$8,193,258	\$7,765,827	\$7,746,800	\$7,784,965.97	\$7,992,630		
Adjusted Public Works	\$1,581,372	\$1,486,605	\$1,393,758	\$1,476,240	\$1,385,688	\$1,270,679	\$1,508,587	\$1,346,178	\$1,272,146		
Adjusted Community Services ***	\$1,737,039	\$1,834,211	\$2,008,330	\$1,836,709	\$1,844,097	\$1,669,257	\$1,609,517	\$1,751,950	\$1,881,203		
Adjusted Town	\$14,015,412	\$14,131,407	\$14,650,016	\$14,070,021	\$14,667,783	\$13,672,769	\$13,849,577	\$13,955,646	\$14,140,463		
Adjusted Education	\$22,971,932	\$22,790,614	\$23,175,164	\$22,754,224	\$22,634,078	\$22,814,588	\$22,263,137	\$23,333,131	\$23,215,266		
Adjusted Library	\$1,284,644	\$1,282,441	\$1,296,069	\$1,215,371	\$1,252,612	\$1,124,740	\$1,130,965	\$1,279,937	\$1,244,596		
Adjusted Debt Service	\$1,381,748	\$1,457,425	\$1,298,998	\$881,571	\$721,035	\$741,586	\$739,389	\$1,232,329	\$1,231,001		
Adjusted Benefits and Pension****	\$8,448,522	\$10,402,264	\$12,013,361	\$12,558,850	\$12,896,907	\$13,157,578	\$13,381,482	\$12,600,485	\$12,955,149		
Adjusted Other	\$16,619	\$1,085	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
Adjusted Net Operating Expenditures	\$ 48,118,877	\$ 50,065,236	\$ 52,433,609	\$ 51,480,037	\$ 52,172,414	\$ 51,511,261	\$ 51,364,550	\$ 52,401,528	\$ 52,786,474		
General Government * (constant dollars)	100%	3%	3%	-5%	7%	-9%	1%	3%	-3%		-0.1%
Public Safety ** (constant dollars)	100%	0%	5%	-4%	6%	-5%	0%	0%	3%		0.5%
Public Works (constant dollars)	100%	-6%	-6%	6%	-6%	-8%	19%	-11%	-5%		-2.7%
Community Services *** (constant dollars)	100%	6%	9%	-9%	0%	-9%	-4%	9%	7%		1.0%
Town (constant dollars)	100%	1%	4%	-4%	4%	-7%	1%	1%	1%		0.1%
Education (constant dollars)	100%	-1%	2%	-2%	-1%	1%	-2%	5%	-1%		0.1%
Library (constant dollars)	100%	0%	1%	-6%	3%	-10%	1%	13%	-3%		-0.4%
Debt Service (constant dollars)	100%	5%	-11%	-32%	-18%	3%	0%	67%	0%		-1.4%
Benefits and Pension**** (constant dollars)	100%	23%	15%	5%	3%	2%	2%	-6%	3%		5.5%
Other (constant dollars)	100%	-93%	-100%	0%	0%	0%	0%	100%	200%		-100.0%
Total Spending (constant dollars)	100%	4%	5%	-2%	1%	-1%	0%	2%	1%		1.2%

Source: Massachusetts Department of Revenue

* General Government includes: Select Board, Town Manager, Finance Department, Legal, Facilities Maintenance, Clerks, Planning, and Conservation

** Police, Fire & Other Public Safety includes Inspection Services

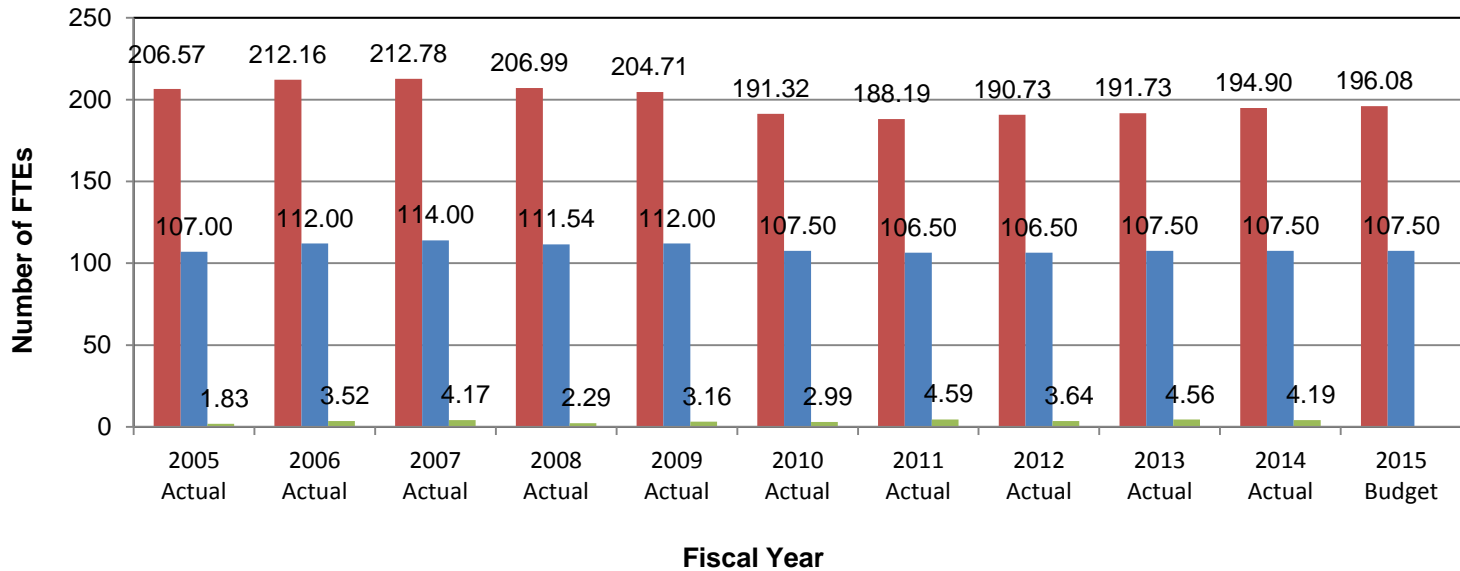
*** Community Services includes Health, Senior Center, Community Development (Social Services), Veterans' Services, LSSE, Pools, Golf Course

**** Benefits and Pension includes Workers' Compensation, Unemployment, Health Insurance, Other Employee Benefits, and Retirement

13 - Municipal Staffing Levels

Municipal Staffing Levels Full Time Equivalent Employees

■ ALL DEPTS ■ PUBLIC SAFETY ■ GRANT POSITIONS



Amherst Trend

Favorable	X
Marginal	
Unfavorable	
Uncertain	

The Town has reduced its workforce by 11.67 positions since FY05, or -5.7%. Public Safety personnel have increased by 0.5 FTEs, or 0.5%, however, Police numbers are down from 2006-2009. Non-public safety positions have been reduced by 12.17 FTEs, or -12.2%.

Municipal Staffing Levels - Full Time Equivalent Employees

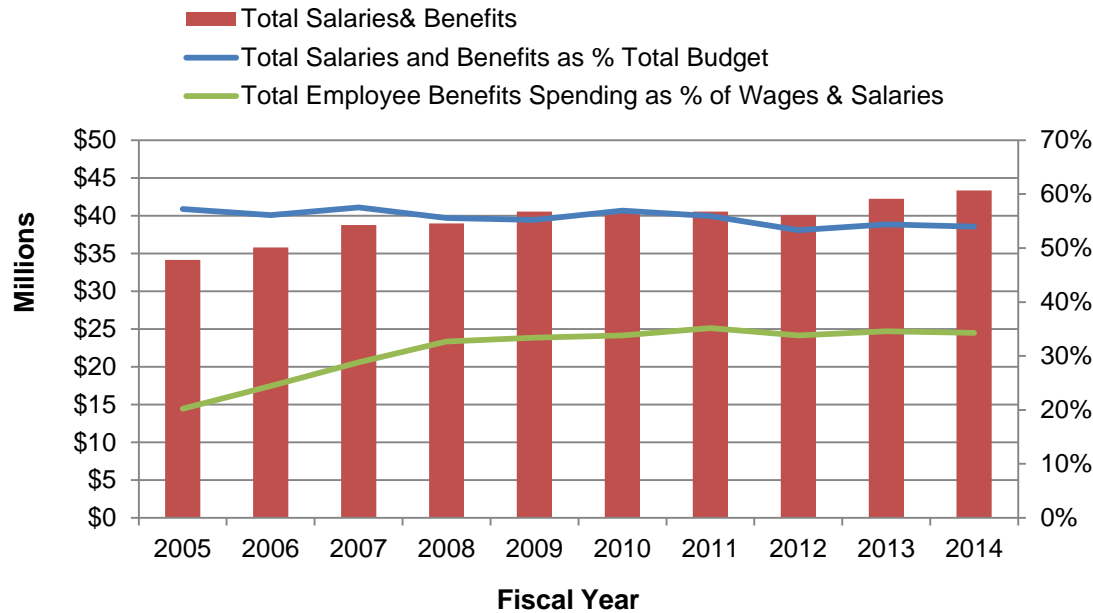
Fiscal Year	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Budget
Public Safety	107.00	112.00	114.00	111.54	112.00	107.50	106.50	106.50	107.50	107.50	107.50
All Other Depts.	99.57	100.16	98.78	95.45	92.71	83.82	81.69	84.23	84.23	87.40	88.58
Total Municipal	206.57	212.16	212.78	206.99	204.71	191.32	188.19	190.73	191.73	194.90	196.08
Grant Positions	1.83	3.52	4.17	2.29	3.16	2.99	4.59	3.64	4.56	4.19	4.00

Source: Amherst Finance Department. Includes municipal General Fund employees only.

14 - Salaries & Benefits as Percentage Total Operating Budget

Increasing benefit costs as a percentage of wages and salaries is considered a warning indicator.

Salaries & Benefits as Percentage Total Budget



Amherst Trend	
Favorable	
Marginal	X
Unfavorable	
Uncertain	X

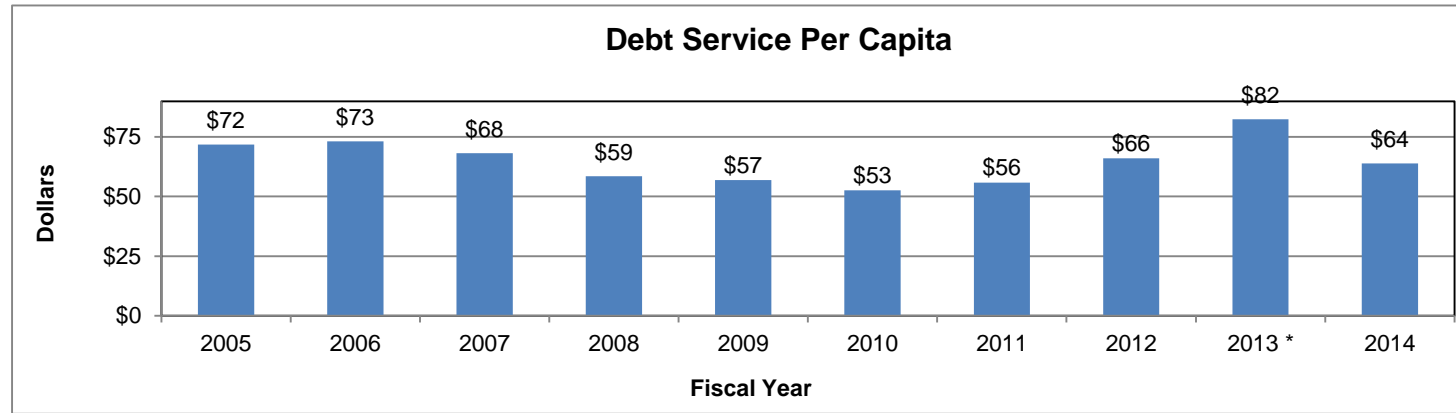
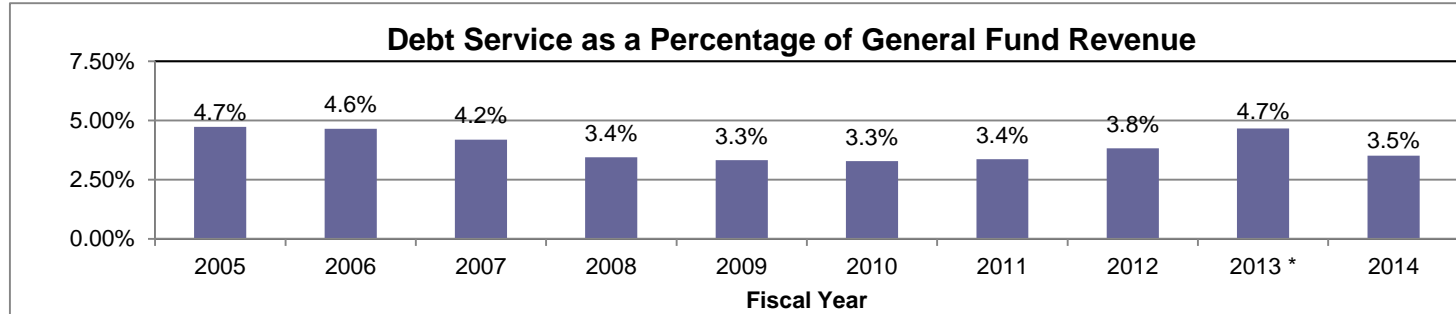
Total salaries and benefits as a percentage of total budget has continued to be level for the past ten years. Total benefit costs as a percentage of wages and salaries has increased from 20.21% to 34.25% of wages and salaries over the past ten years, but all of that increase occurred from 2005 to 2008. The rapid increase was primarily the result of increased costs of providing health benefits to municipal employees. Total Salaries and Benefits spending was flat from 2009 to 2012 and has increased in the past two years. The long term trend is uncertain, despite some success to control the increase of health insurance costs.

Formula	Total Salaries and Benefits as Percentage of Total Budget									
Fiscal Year*	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Employee Benefits	\$ 5,742,251	\$ 7,031,108	\$ 8,673,606	\$ 9,592,425	\$ 10,152,296	\$ 10,271,971	\$ 10,548,292	\$ 10,126,114	\$ 10,855,490	\$ 11,051,207
Total Health Benefits	\$ 3,361,321	\$ 4,282,149	\$ 5,568,357	\$ 6,366,383	\$ 6,920,036	\$ 6,950,443	\$ 7,007,802	\$ 6,489,801	\$ 6,965,222	\$ 7,135,045
Total Retirement Benefits	\$ 2,380,930	\$ 2,748,960	\$ 3,105,248	\$ 3,226,042	\$ 3,232,260	\$ 3,321,528	\$ 3,540,490	\$ 3,636,313	\$ 3,890,268	\$ 3,916,162
Salaries - Municipal	\$ 13,710,446	\$ 13,493,848	\$ 14,725,902	\$ 14,084,827	\$ 14,583,312	\$ 15,028,222	\$ 14,801,410	\$ 14,268,961	\$ 15,140,947	\$ 15,711,508
Salaries - Library	\$ 1,148,371	\$ 1,202,034	\$ 1,257,668	\$ 1,186,994	\$ 1,335,765	\$ 1,215,548	\$ 1,325,362	\$ 1,381,893	\$ 1,433,771	\$ 1,476,196
Salaries - Elementary School	\$ 13,558,962	\$ 14,066,022	\$ 14,115,839	\$ 14,109,728	\$ 14,465,617	\$ 14,152,842	\$ 13,856,355	\$ 14,313,386	\$ 14,812,774	\$ 15,077,778
Total Salaries	\$ 28,417,779	\$ 28,761,904	\$ 30,099,409	\$ 29,381,549	\$ 30,384,694	\$ 30,396,612	\$ 29,983,127	\$ 29,964,240	\$ 31,387,492	\$ 32,265,482
Total Salaries & Benefits	\$ 34,160,030	\$ 35,793,012	\$ 38,773,015	\$ 38,973,973	\$ 40,536,990	\$ 40,668,583	\$ 40,531,419	\$ 40,090,354	\$ 42,242,982	\$ 43,316,689
Total Employee Benefits Spending as % of Wages & Salaries	20.21%	24.45%	28.82%	32.65%	33.41%	33.79%	35.18%	33.79%	34.59%	34.25%
Total Operating Budget	\$ 59,718,855	\$ 63,824,133	\$ 67,403,878	\$ 70,166,213	\$ 73,422,737	\$ 71,427,931	\$ 72,456,981	\$ 75,179,228	\$ 77,689,578	\$ 80,255,790
Total Salaries and Benefits as % Total Budget	57.20%	56.08%	57.52%	55.55%	55.21%	56.94%	55.94%	53.33%	54.37%	53.97%

Source: Finance Department and School Business Office

15 - Debt Service

Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Amherst maintains a strong credit rating of "AA+ With A Stable Outlook" from Standard & Poor's due in part to a low percentage of debt relative to general fund revenue.

Over the past six years, debt service as a percentage of general fund revenue has remained relatively low. This gives the Town additional flexibility to issue new debt.

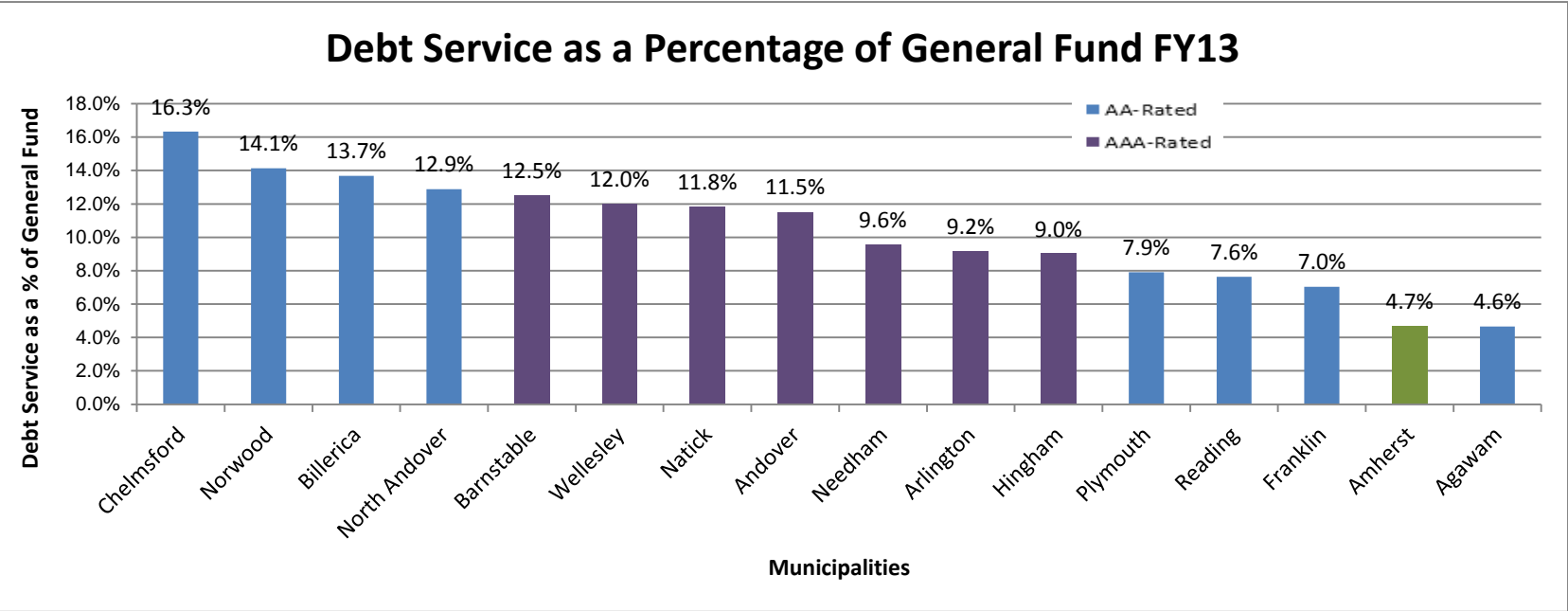
Formula	Debt Service / General Fund Revenue OR / per Capita/Household									
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013 *	2014
Long Term Retired	\$1,773,730	\$1,830,270	\$1,895,270	\$1,645,270	\$1,640,271	\$1,725,270	\$1,875,305	\$2,170,305	\$2,767,305	\$1,957,305
Long Term Interest	\$614,760	\$536,923	\$496,422	\$421,669	\$362,917	\$263,495	\$231,261	\$321,995	\$349,284	\$459,061
Short Term Interest	\$57,095	\$123,862	\$58,743	\$14,898	\$21,559	\$1,309	\$5,370	\$4,040	\$0	\$0
Other Interest	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$ 2,445,585	\$ 2,491,055	\$ 2,450,435	\$ 2,081,837	\$ 2,024,747	\$ 1,990,074	\$ 2,111,936	\$ 2,496,340	\$ 3,116,589	\$ 2,416,366
General Fund Revenue	\$ 51,730,529	\$ 53,574,369	\$ 58,555,235	\$ 60,370,325	\$ 60,893,556	\$ 60,505,355	\$ 62,865,469	\$ 65,253,280	\$ 66,919,847	\$ 68,833,087
Population	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819	37,819
Debt Service as a % of General Fund Revenue	4.73%	4.65%	4.18%	3.45%	3.33%	3.29%	3.36%	3.83%	4.66%	3.51%
Debt Service per Capita	\$72	\$73	\$68	\$59	\$57	\$53	\$56	\$66	\$82	\$64

* 2013 apparent increase is due to refunding of Crocker Farm Debt - It appears as an increase in debt spending in the State reports, but is in fact a decrease in overall debt payments over time.

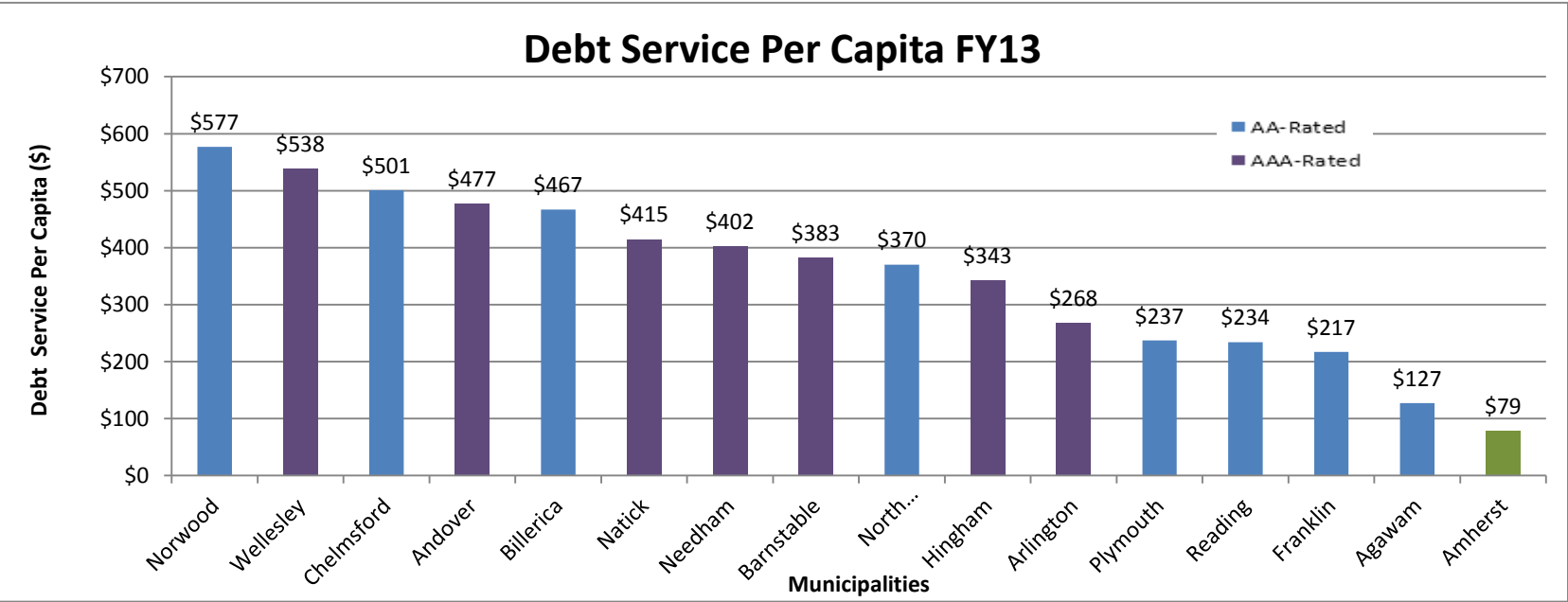
Sources: Debt and Population: Amherst Finance Department.

15.1 - Debt Service FY13

Debt Service exceeding 20 percent of operating revenues is considered a warning indicator by the credit rating organizations.



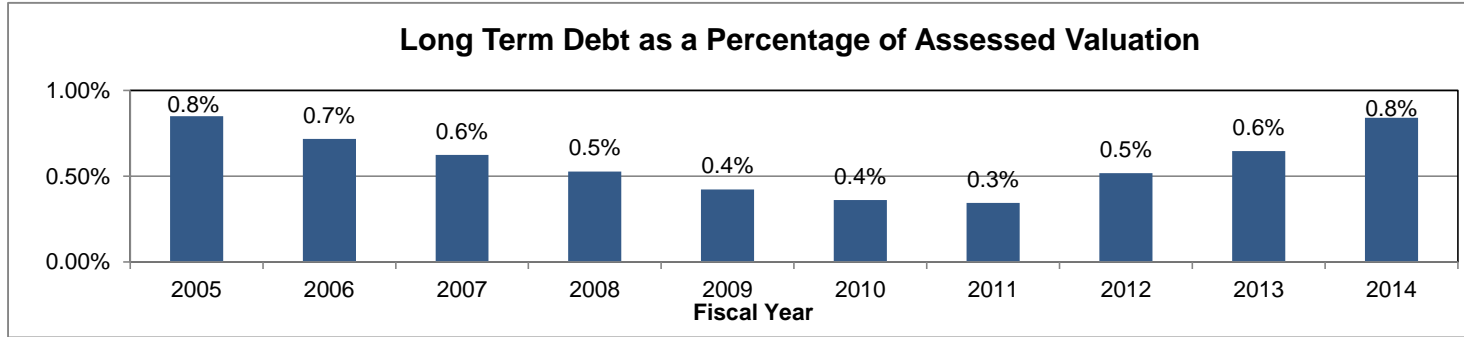
Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

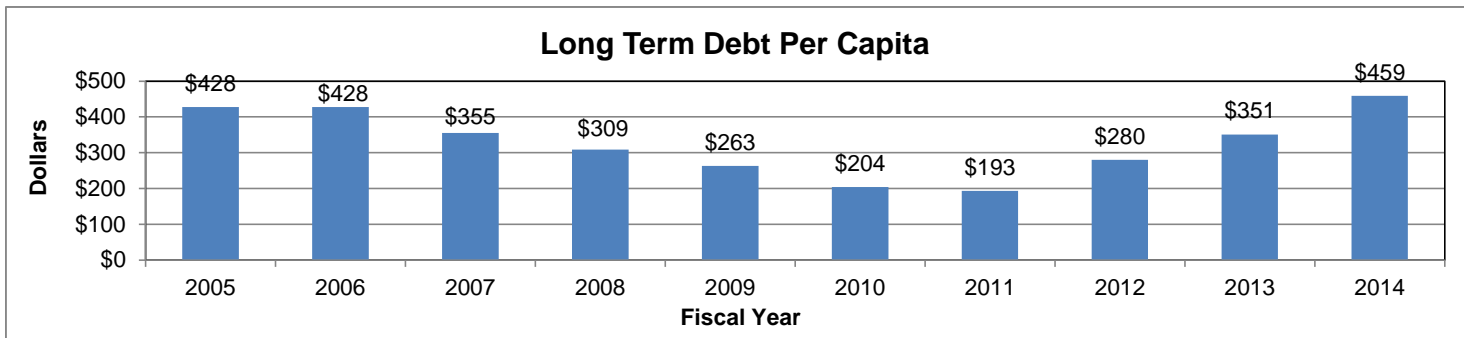
16 - Long Term Debt

Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Like debt service, rating agencies look at long term debt as a percentage of assessed valuations and per capita.



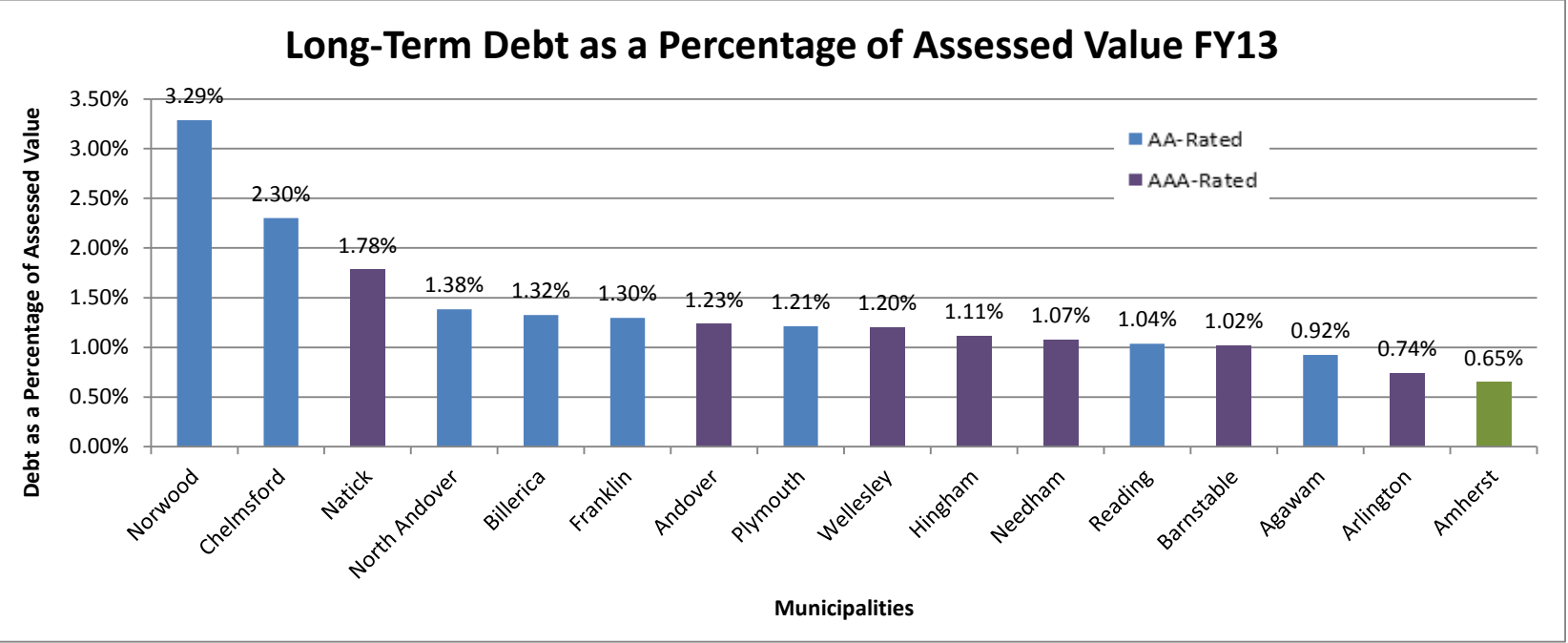
Overall, Amherst's long term debt has remained relatively low and has actually decreased in recent years.

Formula	Outstanding Debt as a Percentage of Assessed Valuations or Per Capita									
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Outstanding Debt	\$ 14,557,465	\$ 14,557,465	\$ 12,773,655	\$ 10,988,385	\$ 9,343,115	\$ 7,702,844	\$ 7,297,575	\$ 10,602,270	\$ 13,263,965	\$ 17,343,660
Total Assessed Valuations	\$1,713,756,900	\$2,027,621,762	\$2,045,921,630	\$2,084,591,660	\$2,204,262,100	\$2,127,375,010	\$2,117,159,900	\$2,043,770,600	\$2,050,011,060	\$2,062,663,700
Population	34,047	34,049	35,962	35,565	35,565	37,819	37,819	37,819	37,819	37,819
Long Term Debt as a % of Assessed Valuations	0.85%	0.72%	0.62%	0.53%	0.42%	0.36%	0.34%	0.52%	0.65%	0.84%
Long Term Debt per Capita	\$428	\$428	\$355	\$309	\$263	\$204	\$193	\$280	\$351	\$459

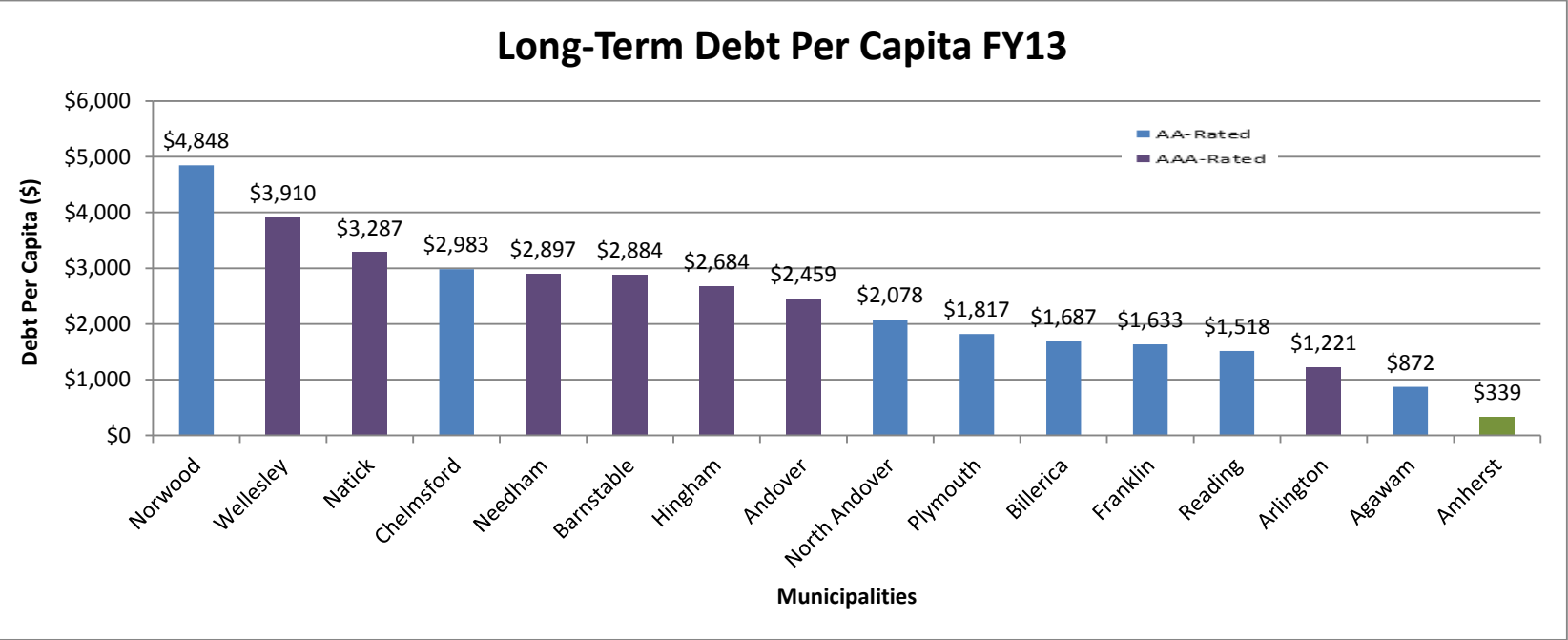
Sources: Amherst Finance Department, Massachusetts Department of Revenue

16.1 - Long Term Debt FY13

Overall debt exceeding 10 percent of assessed valuation is considered a warning indicator by bond rating agencies.



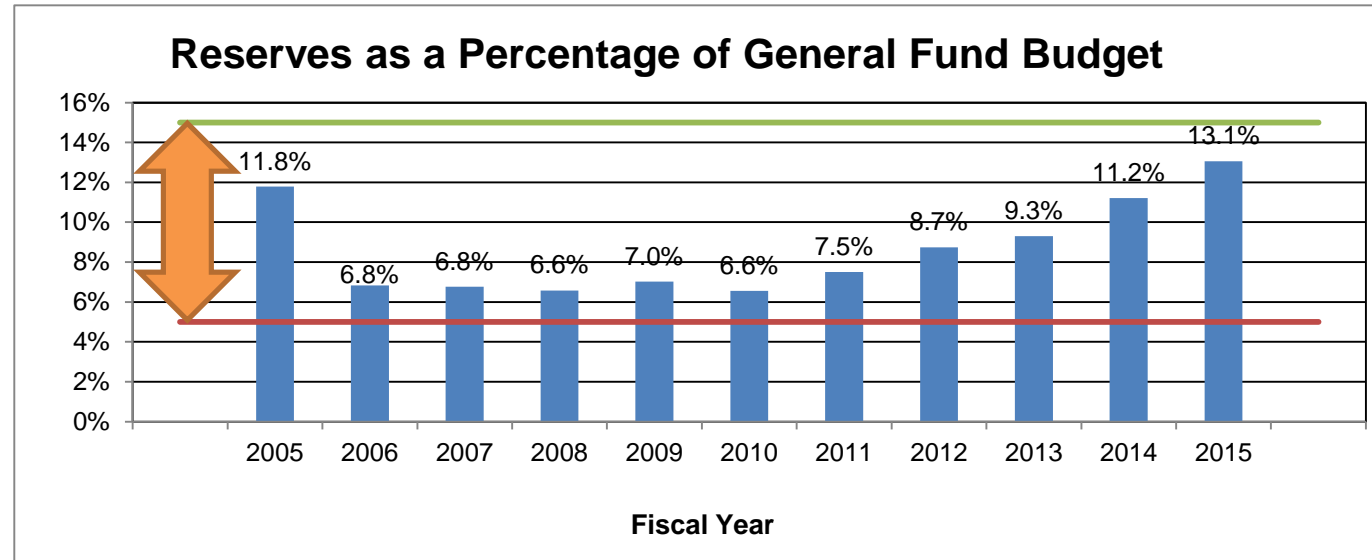
Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

17 - Reserves & Fund Balance

Declining reserves as a percentage of operating revenues may be considered a warning indicator--between 5% and 15% is optimal and is recommended by the Government Finance Officers Association (GFOA).



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Free cash and a stabilization fund permit greater financial flexibility and provide the Town with a safety net. Between 2002 and 2006, Amherst's reserves as a percentage of operating revenue declined substantially. Since 2011, reserves have gradually increased, in keeping with the Town's Financial Policies and Objectives.

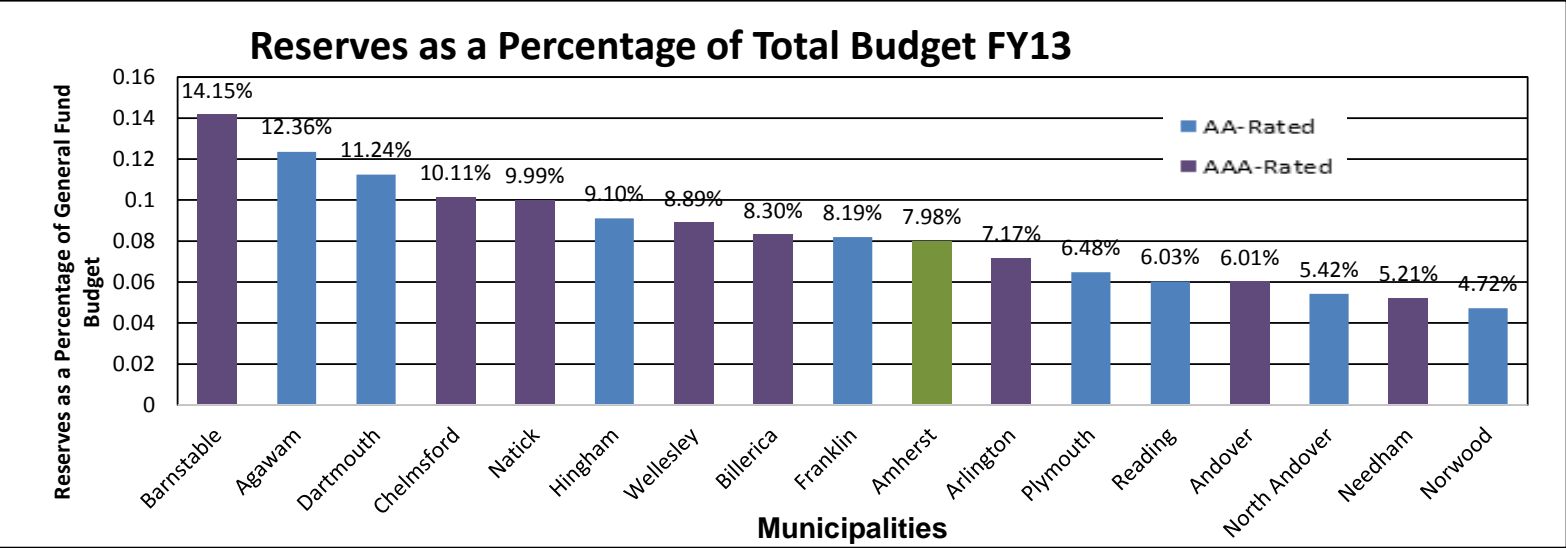
Formula	Undesignated Fund Balance / Operating Revenue										
Fiscal Year	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Certified Free Cash	\$ 1,849,054	\$ 1,240,133	\$ 2,216,935	\$ 3,154,033	\$ 3,528,863	\$ 2,672,333	\$ 3,300,986	\$ 4,167,028	\$ 4,326,501	\$ 4,738,538	\$ 4,860,062
Stabilization Fund	\$ 4,526,873	\$ 2,579,647	\$ 1,801,720	\$ 863,153	\$ 894,542	\$ 1,380,604	\$ 1,421,401	\$ 1,447,485	\$ 1,874,393	\$ 2,915,976	\$ 4,292,283
Total Reserves (Free Cash & Stabilization)	\$ 6,375,927	\$ 3,819,780	\$ 4,018,655	\$ 4,017,186	\$ 4,423,405	\$ 4,052,937	\$ 4,722,387	\$ 5,614,513	\$ 6,200,894	\$ 7,654,514	\$ 9,152,345
Total Budget	\$ 54,109,282	\$ 55,941,474	\$ 59,384,590	\$ 61,090,925	\$ 63,017,449	\$ 61,782,105	\$ 62,955,416	\$ 64,246,301	\$ 66,616,854	\$ 68,246,291	\$ 70,120,776
Free Cash as a % of Total Budget	3.4%	2.2%	3.7%	5.2%	5.6%	4.3%	5.2%	6.5%	6.5%	6.9%	6.9%
Stabilization Fund as a % Total Budget	8.4%	4.6%	3.0%	1.4%	1.4%	2.2%	2.3%	2.3%	2.8%	4.3%	6.1%
Reserves as a % of Total Budget	11.8%	6.8%	6.8%	6.6%	7.0%	6.6%	7.5%	8.7%	9.3%	11.2%	13.1%

Footnote: As of July 1 of the fiscal year shown.

Source: Massgov - Municipal Databank and Finance Committee Report

17.1 - Reserves & Fund Balance FY13

Declining reserves as a percentage of operating revenues may be considered a warning indicator--between 5% and 15% is optimal and is recommended by the Government Finance Officers Association (GFOA).



Amherst Trend	
Favorable	X
Marginal	
Unfavorable	
Uncertain	

Amherst maintains a strong credit rating of "AA+ With A Stable Outlook" from Standard & Poor's due in part to a low percentage of debt relative to general fund revenue.

Sum of Reserves as a % of Total Budget		Sum of Reserves as a % of Total Budget	
Municipality		Municipality	
Barnstable	14.15%	Amherst	7.98%
Agawam	12.36%	Arlington	7.17%
Dartmouth	11.24%	Plymouth	6.48%
Chelmsford	10.11%	Reading	6.03%
Natick	9.99%	Andover	6.01%
Hingham	9.10%	North Andover	5.42%
Wellesley	8.89%	Needham	5.21%
Billerica	8.30%	Norwood	4.72%
Franklin	8.19%		